

EXHIBIT 1

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DEPT. OF INSURANCE
CHICAGO, ILLINOIS

2120 - Served 2121 - Served
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2320 - Served By Mail 2321 - Served By Mail
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Summons - Alias Summons

(08/01/18) CCG 0001 A

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

NORTH END CONDO. ASSOC. INC.

(Name all parties)

v.

ASPEN AMERICAN INS. CO.

Case No. < _____

☒ **SUMMONS** ☐ **ALIAS SUMMONS**

To each Defendant:

YOU ARE SUMMONED and required to file an answer to the complaint in this case, a copy of which is hereto attached, or otherwise file your appearance and pay the required fee **within thirty (30) days after service of this Summons**, not counting the day of service. To file your answer or appearance you need access to the internet. Please visit www.cookcountyclerkofcourt.org to initiate this process. Kiosks with internet access are available at all Clerk's Office locations. Please refer to the last page of this document for location information.

If you fail to do so, a judgment by default may be entered against you for the relief requested in the complaint.

To the Officer:

This Summons must be returned by the officer or other person to whom it was given for service, with endorsement of service and fees, if any, immediately after service. If service cannot be made, this Summons shall be returned so endorsed. This Summons may not be served later than thirty (30) days after its date.

Dorothy Brown, Clerk of the Circuit Court of Cook County, Illinois
cookcountyclerkofcourt.org

Summons - Alias Summons

(08/01/18) CCG 0001 B

E-filing is now mandatory for documents in civil cases with limited exemptions. To e-file, you must first create an account with an e-filing service provider. Visit <http://efile.illinoiscourts.gov/service-providers.htm> to learn more and to select a service provider. If you need additional help or have trouble e-filing, visit <http://www.illinoiscourts.gov/FAQ/gethelp.asp>, or talk with your local circuit clerk's office.

Atty. No.: 6321030
Atty Name: Daniel Loucks/CLP
Atty. for: Plaintiff
Address: 11 West Illinois St., Fourth Floor
City: Chicago
State: IL Zip: 60654
Telephone: 312-494-0200
Primary Email: service@childresslawyers.com

Witness: 1st day of April, 2019



DOROTHY BROWN, Clerk of Court

Date of Service: _____
(To be inserted by officer on copy left with
Defendant or other person):

Dorothy Brown, Clerk of the Circuit Court of Cook County, Illinois
cookcountyclerkofcourt.org

CLERK OF THE CIRCUIT COURT OF COOK COUNTY OFFICE LOCATIONS

Richard J Daley Center
50 W Washington
Chicago, IL 60602

District 2 - Skokie
5600 Old Orchard Rd
Skokie, IL 60077

District 3 - Rolling Meadows
2121 Euclid
Rolling Meadows, IL 60008

District 4 - Maywood
1500 Maybrook Ave
Maywood, IL 60153

District 5 - Bridgeview
10220 S 76th Ave
Bridgeview, IL 60455

District 6 - Markham
16501 S Kedzie Pkwy
Markham, IL 60428

Domestic Violence Court
555 W Harrison
Chicago, IL 60607

Juvenile Center Building
2245 W Ogden Ave, Rm 13
Chicago, IL 60602

Criminal Court Building
2650 S California Ave, Rm 526
Chicago, IL 60608

Daley Center Divisions/Departments

Civil Division
Richard J Daley Center
50 W Washington, Rm 601
Chicago, IL 60602
Hours: 8:30 am - 4:30 pm

Chancery Division
Richard J Daley Center
50 W Washington, Rm 802
Chicago, IL 60602
Hours: 8:30 am - 4:30 pm

Domestic Relations Division
Richard J Daley Center
50 W Washington, Rm 802
Chicago, IL 60602
Hours: 8:30 am - 4:30 pm

Civil Appeals
Richard J Daley Center
50 W Washington, Rm 801
Chicago, IL 60602
Hours: 8:30 am - 4:30 pm

Criminal Department
Richard J Daley Center
50 W Washington, Rm 1006
Chicago, IL 60602
Hours: 8:30 am - 4:30 pm

County Division
Richard J Daley Center
50 W Washington, Rm 1202
Chicago, IL 60602
Hours: 8:30 am - 4:30 pm

Probate Division
Richard J Daley Center
50 W Washington, Rm 1202
Chicago, IL 60602
Hours: 8:30 am - 4:30 pm

Law Division
Richard J Daley Center
50 W Washington, Rm 801
Chicago, IL 60602
Hours: 8:30 am - 4:30 pm

Traffic Division
Richard J Daley Center
50 W Washington, Lower Level
Chicago, IL 60602
Hours: 8:30 am - 4:30 pm

Dorothy Brown, Clerk of the Circuit Court of Cook County, Illinois
cookcountyclerkofcourt.org

Civil Action Cover Sheet - Case Initiation**IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, LAW DIVISION**FILED
4/1/2019 1:08 PM
DOROTHY BROWN
CIRCUIT CLERK
COOK COUNTY, IL
2019L003447

North End Condominium Association, Inc.

v.

Aspen American Insurance Company

No. 2019L003447

CIVIL ACTION COVER SHEET - CASE INITIATION

A Civil Action Cover Sheet - Case Initiation shall be filed with the complaint in all civil actions. The information contained herein is for administrative purposes only and cannot be introduced into evidence. Please check the box in front of the appropriate case type which best characterizes your action. Only one (1) case type may be checked with this cover sheet.

Jury Demand ☐ Yes ☐ No**PERSONAL INJURY/WRONGFUL DEATH****CASE TYPES:**

- ☐ 027 Motor Vehicle
☐ 040 Medical Malpractice
☐ 047 Asbestos
☐ 048 Dram Shop
☐ 049 Product Liability
☐ 051 Construction Injuries
 (including Structural Work Act, Road
 Construction Injuries Act and negligence)
☐ 052 Railroad/FELA
☐ 053 Pediatric Lead Exposure
☐ 061 Other Personal Injury/Wrongful Death
☐ 063 Intentional Tort
☐ 064 Miscellaneous Statutory Action
 (Please Specify Below**)
☐ 065 Premises Liability
☐ 078 Fen-phen/Redux Litigation
☐ 199 Silicone Implant

TAX & MISCELLANEOUS REMEDIES**CASE TYPES:**

- ☐ 007 Confessions of Judgment
☐ 008 Replevin
☐ 009 Tax
☐ 015 Condemnation
☐ 017 Detinue
☐ 029 Unemployment Compensation
☐ 031 Foreign Transcript
☐ 036 Administrative Review Action
☐ 085 Petition to Register Foreign Judgment
☐ 099 All Other Extraordinary Remedies

By: Daniel T. Loucks

(Attorney)

(Pro Se)

(FILE STAMP)

COMMERCIAL LITIGATION**CASE TYPES:**

- ☒ 002 Breach of Contract
☐ 070 Professional Malpractice
 (other than legal or medical)
☐ 071 Fraud (other than legal or medical)
☐ 072 Consumer Fraud
☐ 073 Breach of Warranty
☐ 074 Statutory Action
 (Please specify below.**)
☐ 075 Other Commercial Litigation
 (Please specify below.**)
☐ 076 Retaliatory Discharge

OTHER ACTIONS**CASE TYPES:**

- ☐ 062 Property Damage
☐ 066 Legal Malpractice
☐ 077 Libel/Slander
☐ 079 Petition for Qualified Orders
☐ 084 Petition to Issue Subpoena
☐ 100 Petition for Discovery

**

Primary Email: service@childresslawyers.com

Secondary Email: _____

Tertiary Email: _____

Pro Se Only: ☐ I have read and agree to the terms of the Clerk's Office Electronic Notice Policy and choose to opt in to electronic notice from the Clerk's Office for this case at this email address: _____

DOROTHY BROWN, CLERK OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, LAW DIVISION

NORTH END CONDOMINIUM)
ASSOCIATION, INC.)
)
Plaintiff,)
)
v.)
)
ASPEN AMERICAN INSURANCE)
COMPANY,)
)
Defendant.)

Case No.: 2019L003447

COMPLAINT

Plaintiff, North End Condominium Association, Inc. ("Plaintiff"), by its attorneys, Childress Loucks and Plunkett, Ltd., for its Complaint against Defendant, Aspen American Insurance Company ("Defendant"), state as follows:

NATURE OF THE ACTION

1. Plaintiff brings this action for breach of contract due to Defendant's failure to comply with the insurance policy it issued to Plaintiff and for its failure to pay insurance benefits for damages to Plaintiff's covered property.

PARTIES

2. At all times material herein, Plaintiff was and is an Illinois corporation and operator of a condominium association located at 7528-36 N. Ridge Blvd., Chicago, IL 60645 (hereinafter referred to as the "Insured Property").

3. At all times material herein, Defendant was and is a Connecticut corporation. Defendant is authorized by the Illinois Department of Insurance to issue insurance policies to

Illinois residents and is engaged in the business of underwriting and issuing property and casualty insurance policies in the State of Illinois.

JURISDICTION AND VENUE

4. This Court has jurisdiction over the present action under the Illinois Code of Civil Procedure 735 ILCS 5/2-209(a)(1) (2) and (3), because at all times relevant to this Complaint, Defendant, either individually or through its agents, officers or representatives, transacted business in the State of Illinois relating to the allegations herein.

5. Venue is proper in Cook County under Section 5/2-101 of the Illinois Code of Civil Procedure because Plaintiff resides in this County, the Insured Property is located in Cook County, Defendant has transacted substantial business in Cook County, Illinois, and Cook County, Illinois is where the majority of transactions relating to the allegations herein occurred.

STATEMENT OF FACTS

6. At all times relevant, Plaintiff operated the condominium association located at the Insured Property.

7. Defendant issued an insurance policy to Plaintiff for the Insured Property, Policy Number CISACP001030-01, effective from October 6, 2016 to October 6, 2017 (hereinafter referred to as "the Policy"). A copy of the Policy is attached hereto as Exhibit 1.

8. Pursuant to the terms of the Policy, Defendant agreed to pay for accidental direct physical loss or damage to the Insured Property caused by or resulting from any covered cause of loss.

9. On or about June 14, 2017, while the Policy was in full force and effect, the Insured Property sustained accidental direct physical loss or damage by hail and wind (the "Loss").

10. Damage from hail and wind is not otherwise excluded under the Policy.

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11. On or about April 3, 2018, Plaintiff discovered damage to the Insured Property as a result of the Loss.

12. Plaintiff duly submitted a claim, Number ACCO-0408A9, to Defendant under the Policy for the Loss.

13. On July 31, 2018, Engineering Systems, Inc. inspected the Insured Property on behalf of Defendant and discovered hail and wind damage to the Insured Property's roof.

14. On October 19, 2018, Defendant denied Plaintiff's claim in its entirety. A copy of the denial letter is attached as Exhibit 2.

15. Based on Plaintiff's reading of the Policy, a one-year limitation period for which Plaintiff may bring suit against Defendant may expire on April 3, 2019.

16. Plaintiff brings this suit to preserve its rights under the Policy.

COUNT I
(Breach of Contract)

17. Plaintiff reasserts and re-alleges paragraphs 1-16 as paragraph 17 of Count I as though fully set forth herein.

18. Pursuant to the Policy, Defendant has a contractual obligation to fully investigate and adjust the Loss, and pay the full amount of covered losses, including the costs to repair and/or replace the damage, less applicable deductible.

19. Plaintiff has performed all conditions precedent to its right to recovery under the Policy.

20. Defendant is liable to Plaintiff for the full amount allowed by the Policy for the Loss.

21. Defendant refused and continues to refuse to pay for all of the benefits due under the Policy, including the full costs to repair and/or replace the hail and wind damage to the Insured

Premises, forcing Plaintiff to litigate.


22. Defendant breached its Policy by:
- a. not promptly paying Plaintiff all benefits owed as a result of the covered Loss;
 - b. failing to pay for all consequential damage; and
 - c. not putting Plaintiff in the position it would have been in had Defendant timely performed all of its contractual duties.
23. As a direct and proximate result of Defendant's breach(es) of contract, Plaintiff:
- a. suffered and will continue to suffer property damage;
 - b. incurred and will incur in the future costs to repair and/or replace the property damage;
 - c. suffered and will continue to suffer consequential damages;
 - d. is entitled to an award of prejudgment interest, taxable costs, and investigatory fees; and
 - e. incurred other expenses as a result of Defendant's breach of contract

WHEREFORE, Plaintiff, North End Condominium Association, Inc., respectfully requests judgment in its favor against Defendant, Aspen American Insurance Company, for monetary damages exceeding \$50,000.00, including, but not limited to, property damage, pre-judgment interest, and all other damages and costs the Court deems appropriate.

Dated: April 1, 2019

Respectfully submitted,

By:


Daniel T. Loucks
Attorney for Plaintiff
CHILDRESS LOUCKS AND PLUNKETT, LTD.
11 West Illinois Street, Fourth Floor
Chicago, Illinois 60654
Tel: (312) 494-0200
Fax: (312) 494-0202
service@childresslawyers.com



September 26, 2016

North End Condo Assn
c/o Rosen Management
6310 N Lincoln Ave
Chicago, IL 60659

Re: Policy #CISACP001030-01, UM30078432, & EPP3656165-01

Dear Jackie:

Thank you for entrusting us with your insurance program. Attached you will find the Association's policies effective on 10/06/16.

Also included is a complimentary copy of any legislative documents that may apply to your association.

We value your association and appreciate your business. If you should have any questions, please let me know.

Sincerely,

A handwritten signature in black ink, appearing to read "Kelly", written over a horizontal line.

Kelly Rumachik
Account Executive

2170 Point Blvd
Suite #600
Elgin, IL 60123
T (847) 870-7000
F (847) 259-4487
cisainsurance.com



DISTINGUISHED.
PROGRAMS

1180 Avenue of the Americas, 16th Floor, New York, NY 10036
(844) DISTINS service@distinguished.com www.distinguished.com

Directors and Officers Details Page

Please review the below Exposures for accuracy and advise if any discrepancy. Submit changes for a revised offer.

Physical Address:

7528-36 N. Ridge

CHICAGO, IL 60645

Risk Information:

Number of Units/Lots:	38
Number of Employees (excluding Directors & Officers):	0
Association Type:	COA
Average Unit/Lot Value:	\$115,000

No major building/renovations are anticipated in the next year.

IF ANY OF THE ABOVE INFORMATION IS INCORRECT, THIS POLICY IS NULL & VOID AND MUST BE RETURNED TO OUR OFFICE FOR FURTHER REVIEW AND POSSIBLE RE-ISSUANCE.

IF A LOSS IS DISCOVERED AFTER THE RECEIPT OF THIS DOCUMENT AND PRIOR TO THE EFFECTIVE DATE, WE RESERVE THE RIGHT TO ADJUST TERMS OR POSSIBLY NON-RENEW THE POLICY.

Policy Forms and Endorsements:

- Economic and Trade Sanctions Clause
- Deletion of Noise Exclusion D 26714-2 (11/12)
- ExecPro - Community Association Solution D 26100 (2/10)
- Terrorism Coverage Endorsement DTCV_09P (11/09)
- Terrorism Coverage Premium Disclosure DTDP_09P (11/09)
- Terrorism Coverage Policyholder Disclosure NTDN_08P (1/08)
- Data Security Wrongful Acts and Privacy Wrongful Acts Coverage Endorsement D26740 (10/14)
- Illinois Amendatory Endorsement D 26303 (02/10)

If you or your insured do not wish to accept this Renewal Policy, please log into the broker portal or send a formal request for cancellation to your underwriter via e-mail or fax.

(In order to flat cancel, this request must be received on or before the effective date of this renewal.)



ExecProsm
DECLARATIONS
for
**Community Association
Solution
Insurance Policy**

Insurance is afforded by the company indicated below: (Each a capital stock corporation)

☒ Great American Insurance Company

Policy Number: **EPP3656165-01**

Policy Form Number: **D26100 (2/10)**

Item 1. Name of Organization: **North End Condominium Assn**
Mailing Address: **c/o Rosen Management**
6310 N. Lincoln Ave
City, State, Zip Code: **CHICAGO, IL, 60659**

Item 2. Policy Period: From **10-06-2016** To **10-06-2017**
(Month, Day, Year) (Month, Day, Year)
(Both dates at 12:01 a.m. Standard Time at the address of the **Organization** as stated in Item 1.)

Item 3. (a) Limit of Liability for each Policy Year: **\$1,000,000**
(b) FLSA Defense Sublimit of Liability: **\$150,000** – This limit is part of and not in addition to the Limit of Liability provided for in 3(a).

Item 4. Retentions:
Insuring Agreement A: **\$0** Each Claim
Insuring Agreement B and/or C: **\$1,000** Each Claim

Item 5. Premium: **\$887.00** Annual Taxes/Surcharges: **\$0.00** Annual Fees: **\$0.00**

Item 6. Endorsements Attached:
ExecPro - Community Association Solution D 26100 (2/10)
Economic and Trade Sanctions Clause
Terrorism Coverage Endorsement DTCV_09P (11/09)
Terrorism Coverage Premium Disclosure DTDP_09P (11/09)
Illinois Amendatory Endorsement D 26303 (02/10)
Deletion of Noise Exclusion D 26714-2 (11/12)
Terrorism Coverage Policyholder Disclosure NTDN_08P (1/08)
Data Security Wrongful Acts and Privacy Wrongful Acts Coverage Endorsement D26740 (10/14)

Item 7. Notices: All notices required to be given to the **Insurer** under this policy shall be addressed to:
Great American Insurance Companies
Executive Liability Division
P.O. Box 66943
Chicago, Illinois 60666

Item 8. Prior & Pending Litigation Date: **10-06-2015**

These Declarations along with the completed and signed Proposal Form and community Associations Solution Insurance Policy shall constitute the contract between the **Insureds** and the **Insurer**.

THIS IS A CLAIMS MADE POLICY. READ IT CAREFULLY.

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ExecPro®

Community Association Solution



Community Association Solution

Great American Insurance Group – Executive Liability Division:
1515 Woodfield Road, Suite 500, Schaumburg, IL 60173

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GREAT AMERICAN INSURANCE GROUP®
Headquarters: 301 E. Fourth Street, Cincinnati, Ohio 45202

THIS IS A CLAIMS MADE POLICY. READ IT CAREFULLY.

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the company shown in the Declarations (a stock insurance company, hereinafter called the **Insurer**), including the statements made in the Proposal Form and subject to all terms, conditions and limitations of this Policy, the **Insured** and **Insurer** agree:

Section I. Insuring Agreements

- A.** If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Insured Persons**, **Loss** and **Costs of Defense** resulting from such **Claim**, except for any **Loss** and **Costs of Defense** which the **Organization** or any **Subsidiary** actually pays as indemnification.
- B.** If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against any **Insured Persons** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization** or any **Subsidiary**, **Loss** and **Costs of Defense** resulting from such **Claim**, but only to the extent the **Organization** or any **Subsidiary** is required or permitted by law to indemnify the **Insured Persons**.
- C.** If during the **Policy Period** or the **Discovery Period** any **Claim** is first made against the **Organization**, any **Subsidiary**, or the **Property Manager** for a **Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization**, any **Subsidiary**, or the **Property Manager**, **Loss** and **Costs of Defense** resulting from such **Claim**.

The **Insurer** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of such **Claim** are groundless, false or fraudulent.

Section II. Discovery Period

- A.** If this Policy is not renewed or is cancelled by the **Insurer**, for any reason other than non-payment of premium, then without the requirement of any additional premium, the **Organization** shall receive an automatic ninety (90) day extension of the coverage granted by this Policy with respect to any **Claim** first made against any **Insured** during this extended coverage, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This extended coverage shall be referred to as the **Automatic Discovery Period**. In addition, if prior to the end of the **Automatic Discovery Period**, the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive an extension of the coverage granted by this Policy for an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Automatic Discovery Period** with respect to any **Claim** first made against any **Insured** during this extended coverage, but only with respect to **Wrongful Acts** committed prior to the end of the **Policy Period**. This extended coverage shall be referred to as the **Discovery Period**. The **Organization** shall have no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.

- B. If this Policy is not renewed or is cancelled by the **Organization**, and if no later than sixty (60) days after the end of the **Policy Period** the **Organization** pays the **Insurer** an additional amount equal to forty (40%), seventy-five (75%), or one hundred (100%) percent of the annual premium of this Policy, the **Organization** shall receive a **Discovery Period** for an additional twelve (12), twenty-four (24), or thirty-six (36) months respectively from the end of the **Policy Period**. The **Organization** shall have no right to purchase this **Discovery Period** at any later date or to elect more than one **Discovery Period**.
- C. The fact that this Policy may be extended by virtue of the **Automatic Discovery Period** or **Discovery Period** shall not in any way increase the Limit of Liability stated in Item 3 of the Declarations. For purposes of the Limit of Liability, the **Automatic Discovery Period** and the **Discovery Period** is considered to be part of and not in addition to the last **Policy Year**.

Section III. Definitions

A. "Claim" shall mean:

- (1) a written demand for monetary relief made against any **Insured**;
- (2) a civil proceeding, including any appeals therefrom made against any **Insured** seeking monetary or non-monetary (including injunctive) relief commenced by service of a complaint or similar pleading;
- (3) a criminal proceeding, including any appeals therefrom made against any **Insured** commenced by the return of an indictment or the filing of notice of charge or similar document; or
- (4) a formal administrative proceeding, including any proceeding before the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, made against any **Insured** commenced by the receipt of charges, formal investigative order, service of summons or similar document.

B. "Claimant" shall mean:

- (1) any past, present, and future **Insured Persons** or applicants for employment with the **Organization** or any **Subsidiary**;
- (2) a government entity or agency, including but not limited to the Equal Employment Opportunity Commission (EEOC) or any similar governmental body, when acting on behalf of or for the benefit of any individual in (1) above; or
- (3) all persons who were, now are, or shall be independent contractors, but only to the extent such individuals perform work or services for or on behalf of the **Organization** or any **Subsidiary** and only to the extent such individuals are indemnified by the **Organization** or any **Subsidiary**.

It is further understood and agreed that **Claimant** shall not include any employee of any **Property Manager**.

- C. **"Construction Defect(s)"** shall mean any actual or alleged defective, faulty or delayed construction or any other matter constituting a construction defect under applicable law regardless of whether it results from:
- (1) defective or incorrect architectural plans or other designs;
 - (2) defective or improper soil testing;
 - (3) defective, inadequate or insufficient protection from subsoil or earth movement or subsidence;
 - (4) construction, manufacture or assembly of any tangible property;
 - (5) the failure to provide or pay for any construction-related goods or services; or
 - (6) the supervision or management of any construction-related activities.
- D. **"Costs of Defense"** shall mean reasonable and necessary legal fees, costs and expenses incurred in the investigation or defense of any **Claim**, including the costs of any appeal or appeal bond, attachment bond or similar bond (but without any obligation on the part of the **Insurer** to apply for or furnish such bonds); provided, however, **Costs of Defense** shall not include: (1) salaries, wages, overhead or benefit expenses associated with any **Insured Persons**, and (2) any amounts incurred in defense of any **Claim** which any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes such duty.
- E. **"Employment Practices Wrongful Act"** shall mean any of the following acts related to employment, but only if alleged by or on behalf of a **Claimant**:
- (1) wrongful dismissal, discharge or termination of employment, whether actual or constructive;
 - (2) misrepresentation;
 - (3) violation of employment laws;
 - (4) sexual or workplace harassment;
 - (5) discrimination;
 - (6) wrongful failure to employ or promote;
 - (7) wrongful discipline;
 - (8) wrongful deprivation of career opportunity including a wrongful failure to hire or promote;
 - (9) failure to grant tenure;
 - (10) negligent employee evaluation;
 - (11) retaliation;
 - (12) failure to provide adequate workplace or employment policies or procedures;
 - (13) defamation (including libel and slander);
 - (14) invasion of privacy;
 - (15) wrongful demotion;
 - (16) negligent reassignment;
 - (17) violation of any federal, state or local civil rights laws;
 - (18) negligent hiring;
 - (19) negligent supervision;
 - (20) negligent training;
 - (21) negligent retention; or
 - (22) acts described in (1) through (21) above arising from the use of the **Organization's** or **Subsidiary's** Internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Organization's** or **Subsidiary's** Internet, e-mail, telecommunication or similar systems.
- F. **"Financial Insolvency"** shall mean the **Organization** becoming a Debtor in Possession, or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Organization**.
- G. **"Fungi"** shall mean any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents, or byproducts produced or released by fungi.

H. "Insured" shall mean:

- (1) the **Organization**;
- (2) any **Subsidiary**;
- (3) in the event of **Financial Insolvency**, the resulting Debtor in Possession (or foreign equivalent status), if any;
- (4) all **Insured Persons**; and
- (5) any **Property Manager**, but only if such **Property Manager** is acting pursuant to the written authority granted by the **Organization** or on behalf of and at the direction of the **Organization** or any **Subsidiary**.

I. "Insured Persons" shall mean all persons who were, now are, or shall be directors, trustees, officers, employees, leased employees, temporary or seasonal employees, volunteers or staff members of the **Organization** or any **Subsidiary**, including any executive board members and committee members, whether salaried or not. It shall also mean all persons who were, now are, or shall be directors, trustees, officers, employees, leased employees, temporary or seasonal employees, volunteers or staff members of any **Property Manager**, but only if such persons are acting within the scope of their employment with the **Property Manager** and on behalf of the **Organization** or any **Subsidiary**.**J. "Loss"** shall mean settlements, judgments, pre-judgment and post-judgment interest, front and back pay, compensatory damages, punitive or exemplary damages, the multiple portion of any multiplied damage award, and subject to the provisions of Section V. and VI., **Costs of Defense** incurred by the **Insured**. **Loss** shall not include:

- (1) criminal or civil fines or penalties imposed by law (except as provided pursuant to Section X. H.), or taxes;
- (2) the value of perquisites, deferred compensation or any other type of compensation earned in the course of employment or the equivalent value thereof; and
- (3) any amounts which may be deemed uninsurable under the law pursuant to which this Policy shall be construed.

It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for punitive or exemplary damages or the multiple portion of any multiplied damage award.

K. "Organization" shall mean the entity named in Item 1 of the Declarations.**L. "Policy Year"** shall mean the period of one year following the effective date and hour of this Policy or the period of one year following any anniversary date thereof falling within the **Policy Period**; or if the time between the effective date or any anniversary date and the termination of this Policy is less than one year, such lesser period. Any **Discovery Period** or **Automatic Discovery Period** shall be considered part of and not in addition to the last **Policy Year**.**M. "Policy Period"** shall mean the period from the inception of this Policy to the expiration date stated in Item 2 of the Declarations or its earlier termination, if applicable.**N. "Property Manager"** shall mean any entity providing real estate property management services to the **Organization** or any **Subsidiary** pursuant to a written contract.**O. "Related Wrongful Acts"** shall mean **Wrongful Acts** which are causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event or decision.

P. "Subsidiary" shall mean:

- (1) any entity which qualifies as a not-for-profit organization under the Internal Revenue Code, other than a political committee organized pursuant to Section 432 of the Federal Election Campaign Act of 1971 (and amendments thereto), and for which the **Organization** has or controls the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of such entity as of the inception date of this Policy;
- (2) any similar entity which was created or acquired by the **Organization** after the inception date of this Policy, if the entity's total assets do not exceed thirty-five percent (35%) of the total consolidated assets of the **Organization** as of the inception date of this Policy; or
- (3) any other entity added as a **Subsidiary** by written endorsement to this Policy.

Coverage shall apply to a **Subsidiary** only for **Wrongful Acts** allegedly committed during the time such entity qualified as a **Subsidiary**.

Q. "Wrongful Act" shall mean:

- (1) any of the following by the **Organization**, and/or any **Subsidiary**, and/or any **Insured Persons** acting in their capacity with the **Organization** or a **Subsidiary**:
 - (a) actual or alleged error, misstatement, misleading statement, act or omission, neglect or breach of duty;
 - (b) **Employment Practices Wrongful Act**;
- (2) any matter claimed against any **Insured Persons** solely by reason of their status with the **Organization** or any **Subsidiary**.

Section IV. Exclusions

This Policy does not apply to any **Claim** made against any **Insured**:

- A.** brought about or contributed to by: (1) any **Insured** gaining any profit, advantage or remuneration to which they were not legally entitled; or (2) the deliberate fraudulent or criminal acts of any **Insured**; however, this exclusion shall not apply unless it is finally adjudicated such conduct in fact occurred, nor shall it apply to coverage provided under Insuring Agreement I.B.;
- B.** to the extent it is insured in whole or in part by any other valid and collectible policy or policies, (except with respect to any excess beyond the amount or amounts of coverage under such other policy or policies), whether such other policy or policies are stated to be primary, contributory, excess, contingent, or otherwise;
- C.** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
 - (1) any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation which has been the subject of any notice or **Claim** given under any other policy of which this Policy is a renewal or replacement;
 - (2) any **Wrongful Act** or any circumstance known by any **Insured Person** prior to the date stated in Item 8 of the Declarations which would indicate the probability of such **Claim** being made, provided, however, this exclusion shall only apply to the **Organization**, its **Subsidiaries** and those **Insured Persons** having such knowledge; or

- (3) any civil, criminal, administrative or investigative proceeding involving any **Insured** pending as of or prior to the date stated in Item 8 of the Declarations, or any fact, circumstance or situation underlying or alleged in such proceeding;

- D.** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving: (1) bodily injury, sickness, disease or death of any person, assault or battery; (2) damage to or destruction of any tangible property or the loss of use of any tangible property; or (3) humiliation, mental anguish, emotional distress, invasion of privacy, wrongful entry, trespassing, eviction, false arrest, false imprisonment, malicious prosecution, abuse of process, libel or slander; provided, however, that part (3) of this exclusion shall not apply to any **Claim** for an **Employment Practices Wrongful Act**;
- E.** for any actual or alleged violation by any **Insured** of the Employee Retirement Income Security Act of 1974, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act or any rules or regulations promulgated under these acts or any similar provisions of any federal, state, local or foreign law, except a **Claim** alleging retaliation for the exercise of any rights under such laws;
- F.** for any **Wrongful Act** of any **Insured Persons** in their respective capacity as a director, officer, trustee, or equivalent position of an entity other than the **Organization** or any **Subsidiary**;
- G.** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission, contamination or irritant of any kind, including but not limited to smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, asbestos, chemicals or waste of any kind, provided, however, this exclusion shall not apply to coverage provided under Insuring Agreement 1.A.;
- H.** by, or for the benefit of, or at the behest of the **Organization** or any **Subsidiary** or any entity which controls, is controlled by, or is under common control with the **Organization** or any **Subsidiary**, or any person or entity which succeeds to the interests of the **Organization** or any **Subsidiary**, provided, however, this exclusion shall not apply to any **Claim** brought by the receiver, conservator, liquidator, trustee, rehabilitator, examiner or similar official of the **Organization**, if any, in the event of **Financial Insolvency**;
- I.** other than **Costs of Defense**:
- (1) for any obligation of the **Organization** or any **Subsidiary**, as a result of a **Claim**, seeking relief or redress in any form other than money damages, including but not limited to any obligations of the **Organization** or any **Subsidiary** to modify any building or property;
 - (2) for any obligation of the **Organization** or any **Subsidiary** to pay compensation earned by any **Insured Person** in the course of employment, but not paid by the **Organization** or any **Subsidiary**, including any unpaid salary, bonus, wages, severance pay, retirement benefits, vacation days or sick days, provided, however, this exclusion shall not apply to front pay and back pay;
 - (3) for any actual or alleged violation by any **Insured** of the Fair Labor Standards Act or any similar state or local law, provided, however, this exclusion shall not apply to the Equal Pay Act. **Costs of Defense** provided pursuant to this section, I.(3), shall be subject to the FLSA Defense Sublimit of Liability stated in Item 3 of the Declarations, if any; or
 - (4) for any actual or alleged liability of any **Insured** under any contract or agreement, express or implied, written or oral; provided, however this exclusion shall not apply to employment related obligations which would have attached absent such contract or agreement;

- J. for any obligations under a worker's compensation, disability benefits, insurance benefits or unemployment compensation law, or any similar law; provided, however this exclusion shall not apply to a **Claim** for an **Employment Practices Wrongful Act** involving retaliation with regard to benefits paid or payable;
- K. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving:
 - (1) actual, alleged or threatened:
 - (a) inhalation of, ingestion of, contact with, or exposure to any **Fungi** or bacteria; or
 - (b) existence of or presence of any **Fungi** or bacteria on or within a building or structure including its contents, regardless of whether any other cause, event, material, or product contributed concurrently or in any sequence to any injury or damage; or
 - (2) any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating, disposing of, or in any way responding to, or assessing the effects of **Fungi** or bacteria by any **Insured** or by any other person or entity;
- L. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged **Construction Defect(s)**;
- M. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged liability of an **Insured**, in whole or in part, in the capacity as a builder or developer, or in the capacity of a sponsor of the **Organization**, or of an **Insured** affiliated with such a builder, developer or sponsor, and which is related to actual or alleged misconduct on the part of such builder, developer or sponsor, including but not limited to actual or alleged conflict of interest, self-dealing, or disputes concerning conversion, construction or development;
- N. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged noise.

With respect to this section of the Policy, no fact pertaining to or conduct by any **Insured Person** shall be imputed to any other **Insured Person**; and only facts pertaining to or conduct by any past, present, or future Executive Director, President, or Chairman of the **Organization** shall be imputed to the **Organization** or any **Subsidiary** to determine if coverage is available.

Section V. Limits of Liability and Retention

- A. The **Insurer** shall be liable to pay one hundred percent (100%) of **Loss** in excess of the Retention stated in Item 4 of the Declarations. The **Insurer's** maximum Limit of Liability for the aggregate amount of **Loss** resulting from all **Claims** deemed to have been made in a **Policy Year** shall be shown in Item 3 of the Declarations.
- B. One Retention shall apply to each and every **Claim**. More than one **Claim** involving the same **Wrongful Act** or **Related Wrongful Acts** of one or more **Insureds** shall be considered a single **Claim**, and only one Retention shall be applicable to such single **Claim**. All such **Claims**, constituting a single **Claim**, shall be deemed to have been made on the earlier of the following dates: (1) the earliest date on which any such **Claim** was first made; or (2) the earliest date on which any such **Wrongful Act** or **Related Wrongful Act** was reported under this Policy or any other policy providing similar coverage.

- C. **Costs of Defense** incurred by the **Insurer** shall be in addition to the Limit of Liability, and such **Costs of Defense** shall not be subject to the Retention amount. If **Costs of Defense** are incurred by the **Insured** with the **Insurer's** consent, such **Costs of Defense** shall be considered **Loss** and thus subject to the Limit of Liability and Retention.
- D. With respect to all **Claims** deemed to have been made in a **Policy Year**, should the Limit of Liability be exhausted by payment of **Loss** resulting from one or more such **Claims**, the **Insurer's** duty to defend shall cease and any and all obligations of the **Insurer** hereunder shall be deemed to be completely fulfilled and extinguished and the **Insurer** shall have no further obligations.
- E. For the purpose of applying the Retention, **Loss** applicable to Insuring Agreement I.B. includes that for which indemnification is legally permissible, regardless of whether actual indemnification is granted. The certificate of incorporation, charter or other organizational document of the **Organization**, including by-laws and resolutions, shall be deemed to require indemnification and advancement of **Loss** to the **Insured Persons** to the fullest extent permitted by law.

Section VI. Costs of Defense and Settlements

- A. The **Insureds** shall not incur **Costs of Defense**, or admit liability, offer to settle, or agree to any settlement in connection with any **Claim** without the express written consent of the **Insurer**, which consent shall not be unreasonably withheld. The **Insureds** shall provide the **Insurer** with full cooperation and all information and particulars it may reasonably request in order to reach a decision as to such consent. Any **Loss** resulting from any admission of liability, agreement to settle, or **Costs of Defense** incurred prior to the **Insurer's** consent shall not be covered hereunder.
- B. The **Insurer** has the right to investigate and settle any **Claim** as it deems expedient. If the **Insurer** recommends a settlement and the **Insured** refuses to consent thereto, the **Insurer's** liability for such **Claim** is limited to the amount in excess of the Retention, which the **Insurer** would have contributed had the **Insured** consented to the settlement, the **Costs of Defense** covered by the Policy and incurred prior to the date of such refusal to settle, and fifty percent (50%) of any additional covered **Loss**, including **Costs of Defense**, incurred subsequent to such refusal and subject to the Limit of Liability.

If the **Insured** refuses to consent to a settlement as contemplated above, **Costs of Defense** shall be subject to the Retention.

Section VII. Notice of Claim

- A. The **Insureds** shall, as a condition precedent to their rights under this Policy, give the **Insurer** notice in writing of any **Claim** made during the **Policy Period**. Such notice shall be given as soon as practicable after the date a Board Member or an employee of the **Property Manager** has knowledge of the **Claim**, and in no event later than ninety (90) days after the end of the **Policy Period**.
- B. If during the **Policy Period** or **Discovery Period**, any **Insured** first becomes aware of a specific **Wrongful Act** and gives notice to the **Insurer** of: (1) the specific **Wrongful Act**; (2) the injury or damage which has or may result therefrom; and (3) the circumstances by which the **Insured** first became aware thereof; then any **Claim** arising out of such **Wrongful Act** which is subsequently made against the **Insured** shall be deemed to have been made at the time the **Insurer** received such written notice from the **Insured**.

- C. In addition to furnishing the notice as provided in Section VII A or B, the **Insured** shall, as soon as practicable, provide the **Insurer** with copies of reports, investigations, pleadings and other documents in connection therewith, and shall provide all information, assistance and cooperation which the **Insurer** reasonably requests and do nothing to prejudice the **Insurer's** position or its potential or actual rights of recovery.
- D. Notice to the **Insurer** as provided in Section VII A or B shall be emailed to **ELDCIaims@gaig.com** or mailed to **GREAT AMERICAN INSURANCE GROUP, EXECUTIVE LIABILITY DIVISION, CLAIMS DEPARTMENT, P.O. BOX 66943, CHICAGO, IL 60666**.

Section VIII. Coverage Extensions

A. Spousal/Domestic Partner Provision

The coverage provided by this Policy shall also apply to the lawful spouse or "Domestic Partner" of any **Insured Person**, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Person**. The term "Domestic Partner" shall mean any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law.

B. Worldwide Provision

The coverage provided under this Policy shall apply worldwide. The term **Insured Persons** is deemed to include individuals who serve in equivalent positions in foreign **Subsidiaries**.

C. Estates and Legal Representatives

The coverage provided by this Policy shall also apply to the estates, heirs, legal representatives, or assigns of any **Insured Persons** in the event of their death, incapacity or bankruptcy, but only for **Claims** arising out of any actual or alleged **Wrongful Acts** of any **Insured Persons**.

Section IX. General Conditions

A. Cancellation or Non-Renewal

- (1) This Policy may be cancelled by the **Organization** at any time by written notice to the **Insurer**. In the event the **Organization** cancels this Policy for reasons other than the downgrade of the **Insurer's** rating by A.M. Best, the **Insurer** shall retain the customary short rate portion of the premium. However, if the **Organization** cancels the Policy due to a downgrade of the **Insurer's** rating to below [A-] by A.M. Best, the **Insurer** shall refund any unearned premium on a pro rata basis. Payment of any unearned premium by the **Insurer** shall not be a condition precedent of the effectiveness of cancellation but such payment shall be made as soon as practicable.
- (2) This Policy will only be cancelled by the **Insurer** if the **Organization** does not pay the premium when due.
- (3) If the **Insurer** elects not to renew this Policy, the **Insurer** shall provide the **Organization** with at least sixty (60) days advance notice thereof.

B. Proposal Form

It is agreed the particulars and statements contained in Proposal Forms submitted to the **Insurer** (and any material submitted therewith) are the representations of the **Insured** and are to be considered as incorporated in and constituting part of this Policy. It is also agreed this Policy is issued in reliance upon the truth of such representations. However, coverage shall not be excluded as a result of any untrue statement in the Proposal Form, except as to the **Organization**, its **Subsidiaries**, and any **Insured Person** making such untrue statement or having knowledge of its falsity.

In no event shall Insuring Agreement I.A. of this Policy be rescinded by the **Insurer**.

C. Order of Payments

In the event of **Loss** arising from a covered **Claim** for which payment is due under the provisions of this Policy, the **Insurer** shall first, pay **Loss** for which coverage is provided under Insuring Agreement I.A. of this Policy; and thereafter with respect to whatever remaining amount of the Limit of Liability is available after such payment, pay such other **Loss** for which coverage is provided under any other applicable Insuring Agreements in Section I of this Policy.

D. Merger or Acquisition

If, during the **Policy Period**, the **Organization** acquires the assets of another entity, by merger or otherwise, and the acquired assets of such other entity exceed thirty-five percent (35%) of the assets of the **Organization** as of the inception date of the Policy, written notice thereof shall be given to the **Insurer** as soon as practicable, but in no event later than ninety (90) days from the effective date of the transaction, together with such information as the **Insurer** may request. Premium adjustment and coverage revisions shall be effected as may be required by the **Insurer**.

E. Conversion to Run-Off Coverage

If prior to the end of the **Policy Period**, the **Organization** merges into another organization and the **Organization** is not the surviving entity, another organization or person acquires the right to elect or appoint more than fifty percent (50%) of the Board of Directors or other governing body of the **Organization**, or the **Organization** ceases to qualify as a not-for-profit organization under any federal, provincial and territorial legislation and/or the Internal Revenue Code (such events hereinafter referred to as **Transaction**), then:

- (1) the **Organization** must give written notice of such **Transaction** to the **Insurer** within thirty (30) days after the effective date of such **Transaction**, and provide the **Insurer** with such information as the **Insurer** may deem necessary; and
- (2) this Policy, including the **Discovery Period** if elected, shall apply, but only with respect to any **Wrongful Act** committed prior to the effective date of such **Transaction**.

F. Action Against the Insurer

- (1) No action shall be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the **Insured's** obligation to pay shall have been finally determined by an adjudication against the **Insured** or by written agreement of the **Insured**, those filing the claim, and the **Insurer**.
- (2) No person or organization shall have any right under this Policy to join the **Insurer** as a party to any **Claim** against any **Insured** nor shall the **Insurer** be impleaded by any **Insured** or their legal representative in any such **Claim**.

G. Subrogation

In the event of payment under this Policy, the **Insurer** shall be subrogated to all the **Insureds'** rights of recovery. The **Insureds** shall do everything necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit in the name of any **Insured**. In no event, however, shall the **Insurer** exercise its rights to subrogation against an **Insured Person** under this Policy unless, such **Insured Person**:

- (1) has been convicted of a deliberate criminal act, or
- (2) has been determined by a final adjudication adverse to the **Insured Person** to have committed a deliberate fraudulent act, or to have obtained any profit, advantage or remuneration to which such **Insured Person** was not legally entitled.

In the event the **Insurer** shall for any reason pay indemnifiable **Loss** on behalf of an **Insured Person**, the **Insurer** shall have the contractual right hereunder to recover from the **Organization** or any **Subsidiary** the amount of such **Loss** equal to the amount of the Retention not satisfied by the **Organization** or any **Subsidiary** and shall be subrogated to rights of the **Insured Persons** hereunder.

H. Conformity to Law

Any terms of this Policy which are in conflict with the terms of any applicable laws are hereby amended to conform to such laws.

I. Assignment

Assignment of interest under this Policy shall not bind the **Insurer** until its consent is endorsed hereon.

J. Representative of the Insurer

Great American Insurance Group, Executive Liability Division, Post Office Box 66943, Chicago, Illinois, 60666 shall act on behalf of the **Insurer** for all purposes including, but not limited to, the giving and receiving of all notices and correspondence.

K. Organization Represents Insured

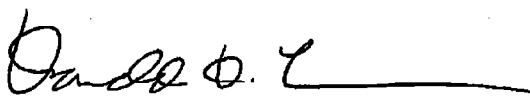
By acceptance of this Policy, the **Organization** shall be designated to act on behalf of the **Insureds** for all purposes including, but not limited to, giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

L. Entire Agreement

By acceptance of this Policy, the **Insured** and the **Insurer** agree that this Policy (including the Proposal Forms submitted to the **Insurer** and any materials submitted therewith) and any written endorsements attached hereto constitute the entire agreement between the parties.

In witness whereof the **Insurer** has caused this Policy to be signed by its President and Secretary and countersigned, if required, on the Declarations page by a duly authorized agent of the **Insurer**.

GREAT AMERICAN INSURANCE COMPANY®



President



Secretary

ExecProsm



AMENDMENT TO DECLARATIONS PAGE

It is understood and agreed that the Declarations is amended by the addition of the following:

Act of Terrorism Premium: \$0.00

It is further understood and agreed the Policyholder Disclosure of Terrorism Coverage is attached to and is to be considered as incorporated in and constituting a part of this Policy.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Insured: **North End Condominium Assn**

Policy Period **10-06-2016 - 10-06-2017**

Policy Number: **EPP3656165-01**

Countersigned by: **Not Required**
Authorized Representative

Endorsement Effective Date: **10-06-2016**



COVERAGE FOR ACTS OF TERRORISM

It is understood and agreed that the General Conditions of the Policy are amended by the addition of the following:

Act of Terrorism Coverage

Subject to all other terms and conditions of this Policy, coverage is available for **Loss** caused by an **Act of Terrorism** as defined below.

"Act of Terrorism" means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States –

- (i) to be an act of terrorism;
- (ii) to be a violent act or an act that is dangerous to –
 - (a) human life;
 - (b) property; or
 - (c) infrastructure;
- (iii) to have resulted in damage within the United States, or outside of the United States in the case of -
 - (a) an air carrier or vessel described in Section (5)(B) of the Terrorism Risk Insurance Act; or
 - (b) the premises of a United States mission; and
- (iv) to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

With respect to any one or more **Acts of Terrorism** under the Terrorism Risk Insurance Act, as amended in 2007, we will not pay any amounts for which we are not responsible under the terms of that Act (including subsequent action of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses.

No act shall be certified by the Secretary as an **Act of Terrorism** if (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers compensation; or (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.

Other than as stated above, nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the Policy to which this endorsement is attached.

Insured: **North End Condominium Assn**

Policy Period **10-06-2016 - 10-06-2017**

Policy Number: **EPP3656165-01**

Countersigned by: **Not Required**
Authorized Representative

Endorsement Effective Date: **10-06-2016**



POLICYHOLDER DISCLOSURE OF TERRORISM COVERAGE

The Terrorism Risk Insurance Act establishes a program within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. The Act applies when the Secretary of the Treasury certifies that an event meets the definition of an Act of Terrorism. The Act provides that, to be certified, an Act of Terrorism must cause losses of at least five million dollars and must have been committed by an individual or individuals as part of an effort to coerce the government or population of the United States.

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

The Terrorism Risk Insurance Act, as amended in 2007, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses in any one calendar year exceeds \$100 billion. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

In accordance with the Terrorism Risk Insurance Act, we are required to offer you coverage for losses resulting from an act of terrorism **that is certified under the federal program** as an Act of Terrorism. All other provisions of this policy will still apply to such an act. That is, a loss will not be excluded or covered just because it was caused by an Act of Terrorism.

The portion of the annual premium that is attributable to coverage for Acts of Terrorism that are certified under the Terrorism Risk Insurance Act is \$0.00.

All other terms and conditions of the policy remain unchanged.

If you would like to reject the coverage for "certified" Acts of Terrorism, please provide Great American written confirmation of such, and an exclusion will be attached to your policy.



FILED DATE: 4/1/2019 1:08 PM 2019L003447

ECONOMIC AND TRADE SANCTIONS CLAUSE

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance.

Insured: **North End Condominium Assn**

Policy Period **2016-10-06 - 2017-10-06**

Policy Number: **EPP3656165-01**

Countersigned by: _____
Authorized Representative

Endorsement Effective Date: **2016-10-06**



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DELETION OF NOISE EXCLUSION

It is understood and agreed that Section IV.N. of the policy is deleted in its entirety.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

Insured:

Policy Period

Policy Number:

Countersigned by: _____

Endorsement Effective Date:

Authorized Representative

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ILLINOIS AMENDATORY ENDORSEMENT

In compliance with the insurance regulations of the State of Illinois, the following provisions are added to the Policy. In the event that a similar provision is already contained in the Policy, the provisions of this endorsement shall take precedence over such similar provision.

1. **ACTION AGAINST INSURER.** No action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance by the **Insured** with all of the terms of this Policy.

Any person or organization or the legal representative thereof shall be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Bankruptcy or insolvency of an **Insured** or of an **Insured Person's** estate shall not relieve the **Insurer** of any of its obligations hereunder.
2. **CANCELLATION OF POLICY.** This Policy may be cancelled by the **Organization** by surrender of the Policy to the **Insurer** or any of its authorized agents or by mailing to the **Insurer** written notice stating when thereafter the cancellation shall be effective.

This Policy is subject to cancellation by the **Insurer** as follows:

- (a) **CANCELLATION OF POLICIES IN FORCE FOR LESS THAN SIXTY-ONE (61) DAYS.** Insurance under this Policy which has been in force for less than sixty-one (61) days may be cancelled by the **Insurer** by mailing to the **Organization** written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective.
- (b) **CANCELLATION FOR NON-PAYMENT OF PREMIUM.** Insurance under this Policy may be cancelled by the **Insurer** if the **Organization** fails to discharge when due any of its obligations in connection with the payment of premium for such Policy or any installment thereof by mailing to the **Organization** written notice stating when, not less than ten (10) days thereafter, such cancellation shall be effective.

Insured: **North End Condominium Assn**

Policy Period: **10-06-2016 - 10-06-2017**

Policy Number: **EPP3656165-01**

Countersigned by: **Not Required**
Authorized Representative

Endorsement Effective Date: **10-06-2016**

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ILLINOIS AMENDATORY ENDORSEMENT

- (c) MID-TERM CANCELLATION OF POLICIES IN FORCE FOR SIXTY-ONE (61) DAYS OR MORE. Insurance under this Policy which has been in effect for sixty-one (61) days or more may be cancelled by the **Insurer** by mailing to the **Organization** written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective, however, such cancellation may only be for one of the following specified reasons: (i) non-payment of premium as provided for in paragraph 3(b) above; (ii) the Policy was obtained through a material misrepresentation; (iii) an **Insured** violated any of the terms and conditions of the Policy; (iv) the risk originally accepted has measurably increased; (v) certification to the Director of the loss of reinsurance by the **Insurer** which provided coverage to the **Insurer** for all or a substantial part of the underlying risk insured; or (vi) a determination by the Director that the continuation of the Policy could place the **Insurer** in violation of the insurance laws of this State.
- (d) CANCELLATION OF POLICIES WITH A TERM OF MORE THAN ONE YEAR. In addition to the right of the **Insurer** to cancel as provided for in paragraphs (b) and (c) above and provided that if this Policy is written without a fixed expiration date or for a policy term longer than one year, this Policy may be cancelled by the **Insurer** effective on the expiration of any annual period, commencing with its original effective date, by mailing to the **Organization** written notice of such cancellation not less than sixty (60) days prior to the expiration of such annual period. Such cancellation may only be for one of the specified reasons set forth in 3(c) above.

The time of surrender of this Policy or the effective date and hour of cancellation stated in the notice shall become the end of the policy term. If the entity named in Item 1 of the Declarations cancels, earned premium shall be computed in accordance with the customary short-rate table and procedure. If the **Insurer** cancels, earned premium shall be computed pro-rata. Premium adjustment may be either at the time cancellation is effected or as soon as practicable after the cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

3. RENEWAL OF POLICY. This Policy may be renewed for one or more subsequent terms by:

- (a) mailing to the **Organization**, at the last known address, a renewal premium notice for the applicable renewal term, or
- (b) issuing or offering to issue a renewal Policy, certificate or other evidence of renewal at the applicable renewal premium in accordance with the **Insurer's** then current rules, rates, rating plans, premiums and minimum premiums applicable to this insurance.

Any obligation for dividend or other credit shall not in any way extend or change the policy term.



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4. NON-RENEWAL OF POLICY. The **Organization** shall have the right to renewal of this Policy, on the terms then being applied by the **Insurer** to similar risks, for an additional period of time equivalent to the expiring policy term if the agreed term is a year or less, or for one year if the agreed term is longer than one year, unless at least sixty (60) days prior to the date of expiration of the policy term, a notice of intention not to renew the Policy beyond such agreed expiration date is mailed or delivered to the **Organization**.

If the **Organization** has insured elsewhere, has accepted replacement coverage or has requested or agreed to non-renewal, the Non-Renewal provisions of this Policy do not apply.

5. DISCOVERY PERIOD. It is understood and agreed that Section II. of the Policy is amended with the addition of the following:

Discovery Period shall also apply in the event the **Insurer** cancels this Policy due to non-payment of premium when due, provided the **Organization** pays the **Insurer** any monies due.

The **Organization** shall have thirty (30) days from the end of the **Policy Period** to request a **Discovery Period**.

6. PROPOSAL FORM. No misrepresentation or breach of affirmative warranty made by the **Insureds** or in their behalf in the negotiation of this Policy affects the **Insurer's** obligation under this Policy unless the **Insurer** relies on it and it is either material or made with intent to deceive, or unless the facts misrepresented or falsely warranted contribute to the **Loss**. No failure of a condition prior to the **Loss** and no breach of a promissory warranty shall affect the **Insurer's** obligation under this Policy unless it exists at the time of **Loss** and either increases the risk at the time of **Loss** or contributes to the **Loss**. The provisions of the condition do not apply to failure to tender payment of premium.

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7. OTHER INSURANCE. It is understood and agreed that Section IV.B. of the Policy is deleted in its entirety. The following paragraph is added to Section IX. of the Policy:
- M.** Other Insurance. The **Insured** may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Policy. In such event, the **Insurer** will pay its share of the covered **Loss** and **Costs of Defense**, such share to be equal to the proportion that the then available Limit of Liability under this Policy bears to the aggregate of all limits of liability of all insurance covering such **Loss** and **Costs of Defense** on the same basis. If the **Insured** has insurance covering any **Loss** or **Costs of Defense** other than insurance as described above, the **Insurer** will pay only the amount of covered loss or damages in excess of the amounts due under such other insurance whether or not the **Insured** has recovered such amounts. Nothing in this paragraph is intended, however, nor shall it be construed to obligate the **Insurer** to make any payment it would not otherwise be obligated to make under the terms, conditions, limitations and endorsements of this Policy, or to pay any **Loss** or **Costs of Defense** in excess of the then available Limit of Liability under this Policy. This Policy shall not be subject to the terms of any other insurance.
8. DEFINITION OF COSTS OF DEFENSE. It is understood and agreed that Section III. D. is deleted and replaced with the following:
- D.** "**Costs of Defense**" shall mean reasonable and necessary legal fees, costs and expenses incurred in the investigation or defense of any **Claim**, including the costs of any appeal or appeal bond, attachment bond or similar bond (but without any obligation on the part of the **Insurer** to apply for or furnish such bonds); provided, however, **Costs of Defense** shall not include salaries, wages, overhead or benefit expenses associated with any **Insured Persons**.
9. DEFINITION OF LOSS. It is understood and agreed that Section III.J. is deleted and replaced with the following:
- J.** "**Loss**" shall mean settlements, judgments, front and back pay, compensatory damages, punitive or exemplary damages, the multiple portion of any multiplied damage award, pre-judgment interest, post-judgment interest, and subject to the provisions of Section V. and VI., **Costs of Defense** incurred by the **Insured**. **Loss** shall not include:
- (1) criminal or civil fines or penalties imposed by law, or taxes (except for the 10% "excess benefit" tax assessed by the Internal Revenue Service against any **Insured Person** pursuant to 26 USC Section 4958 (a)(2));



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- (2) employment related benefits, stock options, perquisites, deferred compensation or any other type of compensation earned in the course of employment or the equivalent value thereof; and
- (3) any amounts which may be deemed uninsurable under the law pursuant to which this Policy shall be construed.

It is understood and agreed that the enforceability of the foregoing coverage shall be governed by such applicable law which most favors coverage for compensatory, punitive, or exemplary damages or the multiple portion of any multiplied damage award. If Illinois law applies to a **Claim** and punitive or exemplary damages are directly assessed, such amounts are excluded from **Loss**.

10. LIMITS OF LIABILITY AND RETENTION. It is understood and agreed that Section V. of the Policy is amended with the addition of the following:

- F. Payment for pre-judgment interest or post-judgment interest, if incurred by an **Insured** as a result of any delay by the **Insurer**, shall not reduce the Limit of Liability.

11. EXCLUSION IV.G. It is understood and agreed that Section IV.G. is deleted and replaced with the following:

- G. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged seepage, pollution, radiation, emission, contamination or irritant of any kind, including but not limited to smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, asbestos, chemicals or waste of any kind, provided, however, this exclusion shall not apply to coverage provided under Insuring Agreement I.A. or

any **Claim** involving damage caused by heat, smoke or fumes from a hostile fire and otherwise covered under the Policy;



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WRONGFUL ACTS COVERAGE ENDORSEMENT**

Solely for purposes of coverage provided by this endorsement, it is understood and agreed that the following changes are made to the Policy:

THIRD PARTY COVERAGE

Section I. is deleted and replaced with the following:

Section I. Insuring Agreements

- A.** If during the **Policy Period** or the **Discovery Period** any **Claim**, including a **Regulatory Action**, is first made against any **Insured Persons** for a **Data Security Wrongful Act** or a **Privacy Wrongful Act**, the **Insurer** shall pay on behalf of the **Insured Persons**, **Loss and Costs of Defense** resulting from such **Claim**, except for any **Loss and Costs of Defense** which the **Organization** or any **Subsidiary** actually pays as indemnification.
- B.** If during the **Policy Period** or the **Discovery Period** any **Claim**, including a **Regulatory Action**, is first made against any **Insured Persons** for a **Data Security Wrongful Act** or a **Privacy Wrongful Act** the **Insurer** shall pay on behalf of the **Organization, Subsidiary or Property Manager**, **Loss and Costs of Defense** resulting from such **Claim**, but only to the extent the **Organization** or any **Subsidiary** is required or permitted by law to indemnify the **Insured Persons**.
- C.** If during the **Policy Period** or the **Discovery Period** any **Claim**, including a **Regulatory Action**, is first made against the **Organization, Subsidiary or Property Manager** for a **Data Security Wrongful Act** or a **Privacy Wrongful Act**, the **Insurer** shall pay on behalf of the **Organization** or any **Subsidiary**, **Loss and Costs of Defense** resulting from such **Claim**.

The **Insurer** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of such **Claim** are groundless, false or fraudulent.

FIRST PARTY COVERAGE FOR ORGANIZATION AND SUBSIDIARIES

Section VIII. is amended by the addition of the following:

D. Privacy Event Expenses Provision

The **Insurer** shall reimburse or pay on behalf of the **Organization** or any **Subsidiary** all **Privacy Event Expenses** in excess of the applicable Retention stated in Item 4. of the Declarations and up to the applicable Limits of Liability stated in Item 3. of the Declarations that the **Organization** or any **Subsidiary** incurs as a direct result of a **Data Breach** provided:

Insured: North End Condominium Assn

Policy Period: 10-06-2016 - 10-06-2017

Policy Number: EPP3656165-01

Countersigned by: _____
Authorized Representative

Endorsement Effective Date: 10-06-2016



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- (1) such **Data Breach** is first discovered during the **Policy Period**;
- (2) prior to the inception date of the first policy issued by the **Insurer** to the **Organization** and continuously renewed, no **Insured** had a basis to believe that any such **Data Breach** might reasonably be expected;
- (3) the **Insured** reports such **Data Breach** in accordance with the Reporting Obligations for a **Data Breach** section below; and
- (4) the **Insured** obtains the **Insurer's** advance written consent to incur such **Privacy Event Expenses**.

AMENDMENT TO DEFINITIONS

1. Section III.A. is amended by the addition of the following:

Claim shall also mean a **Regulatory Action**.

2. Section III.J. is amended by the addition of the following:

Loss shall also mean **Privacy Regulatory Fines and Penalties, Privacy Event Expenses and Regulatory Restitution Funds**.

3. Section III. is amended by the addition of the following:

"Computer Systems" shall mean any computer, network of computers, mobile device, or internet-enabled or networked telephone, printer, copier or other device, if owned, leased or operated by or on behalf of the **Organization** or any **Subsidiary** in connection with the **Insured's** ordinary business activities, including if operated by a cloud computer provider on behalf of the **Organization** or any **Subsidiary**.

"Data Asset" shall mean software and electronic data, including but not limited to databases, audio files, video files or other image files, maintained by or on behalf of the **Organization** or any **Subsidiary** in connection with the **Organization** or any **Subsidiary's** business operations.

"Data Breach" shall mean the unauthorized access to, loss of control over or disclosure of **Protected Information** maintained by the **Insured** or by those acting on behalf of the **Insured**.

"Data Security Wrongful Act" shall mean an actual or alleged negligent act, error or omission by or on behalf of the **Insured** in the performance of the **Organization** or any **Subsidiary's** business that causes or fails to prevent:



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- (1) the theft of, or unauthorized access to, or disclosure or use of, the **Data Asset** of a client or customer of the **Organization** or any **Subsidiary** stored on the **Computer Systems**;
- (2) unauthorized access to or use of the **Computer Systems** that results in the alteration, corruption, destruction, deletion or damage to **Data Asset** of a client or customer of the **Organization** or any **Subsidiary** stored on the **Computer Systems**;
- (3) the transmission of any virus, worm, trojan horse, backdoor or similar malicious software program or code from the **Computer Systems** to a third party's computer systems;
- (4) unauthorized access to or use of the **Computer Systems** that results in damage or disruption to computer systems of any third party or any **Data Asset** on such third party computer systems, including through a denial-of-service attack or similar action by an unauthorized person; or
- (5) a denial-of-service attack or similar action by any unauthorized person that makes the **Computer Systems** unavailable to authorized clients or customers of the **Organization** or any **Subsidiary**.

"Privacy Event Expenses" shall mean the reasonable and necessary:

- (1) legal and forensic fees and costs to investigate the cause of the **Data Breach**, identify persons affected or potentially affected and determine the extent that any law, regulation, statute or contract requires notification of the **Data Breach**;
- (2) costs of notification of the **Data Breach**, if required by law, regulation, statute or contract or voluntarily incurred with the **Insurer's** prior written consent; and
- (3) costs to monitor, freeze or thaw credit or provide credit restoration services for persons affected by the **Data Breach**.

"Privacy Wrongful Act" shall mean an actual or alleged negligent act, error or omission by or on behalf of the **Insured** in the performance of the **Organization** or any **Subsidiary's** business that causes or fails to prevent:

- (1) the theft of, or unauthorized access to, or disclosure or use of, **Protected Information** held or maintained by or on behalf of the **Organization** or any **Subsidiary**, including by a cloud service provider or other vendor for the **Organization** or any **Subsidiary**, if such theft, access, disclosure or use:
 - a) results in identity theft or other misuse of such **Protected Information**;
 - or



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- b) violates any federal, state, local or foreign law or regulation, or the **Organization** or any **Subsidiary's** published policies, regarding the maintenance, protection, use or disclosure of **Protected Information**;
- (2) violation of any federal, state, local or foreign law or regulation, or any publicly stated policy of the **Organization** or any **Subsidiary**, relating to **Protected Information** that:
 - a) prohibits or restricts the **Insured's** collection, sharing or selling of **Protected Information**; or
 - b) requires the **Insured** to provide access to **Protected Information** or upon request, correct incomplete or inaccurate **Protected Information**;
or
- (3) any fraudulent website or electronic communication, including a phishing email, from impersonating the **Insured** and causing financial loss to any customer or client of the **Organization** or any **Subsidiary**.

"Privacy Regulatory Fines and Penalties" shall mean the sums the **Organization** or any **Subsidiary** is required to pay as part of the settlement or judgment of a covered **Regulatory Action**.

"Protected Information" shall mean:

- (1) any non-public personally identifiable information, including financial, medical or health care information, held or maintained by or on behalf of the **Insured** in connection with the **Organization's** or any **Subsidiary's** business operations, whether in electronic form or otherwise, which is protected from unauthorized access or disclosure by any federal, state, local or foreign law or regulation or by any publicly stated policy of the **Insured**; and
- (2) confidential, non-public business information of a third party that is in the care or custody of the **Organization** or any **Subsidiary** pursuant to a confidentiality agreement between the **Organization** or any **Subsidiary** and such third party.

"Regulatory Action" shall mean a written request for information, civil investigation or administrative proceeding or civil proceeding brought by any local, state, federal or regulatory agency for any **Privacy Wrongful Act** in connection with a **Data Breach**. However, **Regulatory Action** shall not include any written request, investigation or proceeding brought by or on behalf of the Securities and Exchange Commission.



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"Regulatory Restitution Fund" shall mean any sums deposited into a fund and used to provide compensation to individuals affected by a **Privacy Wrongful Act** as part of the settlement or judgment of a **Regulatory Action**.

4. Section III.Q. is amended by the addition of the following:

Wrongful Act shall also mean a **Data Security Wrongful Act** and a **Privacy Wrongful Act**.

AMENDMENT TO EXCLUSIONS

1. Section IV.B. is deleted and replaced with the following:

B. to the extent it is insured in whole or in part by any other valid and collectible policy or policies, (except with respect to any excess beyond the amount or amounts of coverage under such other policy or policies), whether such other policy or policies are stated to be primary, contributory, excess, contingent, or otherwise; provided, however, that coverage for all **Data Breaches** and **Claims for Personal Injury Wrongful Acts, Data Security Wrongful Acts** and/or **Privacy Wrongful Acts** shall be specifically excess of any similar coverage provided pursuant to terms and conditions of any general liability policy, business owner policy or cyber liability policy issued to the **Organization** or any **Subsidiary**.

2. Section IV.D. is deleted and replaced with the following:

D. based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving: (1) bodily injury, sickness, disease or death of any person, assault or battery; (2) damage to or destruction of any tangible property; or (3) humiliation, mental anguish, or emotional distress; provided, however, that part (3) of this exclusion shall not apply to any **Claim** for a **Privacy Wrongful Act**;

3. The **Insurer** shall not be liable for **Loss, Costs of Defense** or any other payment for any **Claim** made against any **Insured** or any **Data Breach** based upon, arising out of, relating to, directly or indirectly resulting from or in consequence of, or in any way involving actual or alleged:



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- (1) mechanical or electrical failure or outage, routine wear and tear, or a disruption or failure of any infrastructure service or utility supplied by a third-party, including but not limited to power, water, gas, communications or connectivity; provided, however, this exclusion shall not apply to a **Claim** for a **Privacy Wrongful Act**;
- (2) fire, smoke, explosion, lightning, wind, flood, earthquake, volcanic eruption, tidal wave, landslide, hail or act of God or any other physical event, however caused;
- (3) price-fixing, restraint of trade or monopolization;
- (4) violation of any federal, provincial, state, local or foreign statute or regulation prohibiting or restricting unsolicited communications, regardless of whether such communication was transmitted via facsimile, email, text, telephone or otherwise, including but not limited to the Controlling the Assault of Non-Solicited Pornography and Marketing (CAN-SPAM) Act of 2003, the Canadian Anti-Spam Law (CASL) and the Telephone Consumer Protection Act (TCPA);
- (5) misappropriation, infringement or theft, or inducement of misappropriation, infringement or theft of trade secrets;
- (6) war including undeclared or civil war, or seizure, confiscation, expropriation, nationalization, or destruction of a **Computer System** by order of any governmental authority;
- (7) potential violation of any federal, state, foreign or local law or regulation and investigated or pursued by a federal, state, foreign or local regulatory agency or other governmental body, provided, however, this exclusion shall not apply to a **Regulatory Action**;
- (8) act, error, omission or circumstance, which was known by the President, Executive Director, Chairman of the Board, Chief Information Officer, Chief Technology Officer, Chief Security Officer, Risk Manager, General Counsel (or the functional equivalent of any of the foregoing) prior to the inception date of the first policy issued by the **Insurer** to the **Organization** and continuously renewed and which could have been reasonably foreseen to be the basis for a **Claim** or **Data Breach**, including, but not limited to, knowledge of security weaknesses, or vulnerabilities in software, hardware or firmware; or
- (9) breach of any express or implied contract, agreement, warranty or guarantee, including, but not limited to, any express or implied contract or agreement to pay royalties or to account for same; provided, however, this exclusion shall not apply to:



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- a) any liability that an **Insured** would have incurred in the absence of such contract, agreement, warranty or guarantee; or
 - b) a **Privacy Wrongful Act** when the actual or alleged breach of contract or agreement is to secure or maintain **Protected Information**.
4. The **Insurer** shall not be liable for **Loss, Costs of Defense** or any other payment for any **Claim** made against any **Insured** or any **Data Breach** for:
- (1) any fees or costs to update or improve a **Data Asset** to a level beyond that which existed prior to any **Data Breach** or **Data Security Wrongful Act**;
 - (2) any fees or costs to correct or remediate software program errors or vulnerabilities or deficiencies or problems with any **Computer System** not directly resulting from a **Data Security Wrongful Act**;
 - (3) any amounts incurred by any **Insured** prior to the date a **Claim** is reported to the **Insurer** pursuant to Section VII. or a **Data Breach** is reported pursuant to the Reporting Obligations set below;
 - (4) any overhead expenses of the **Organization** or any **Subsidiary**, including but not limited to compensation or benefits; or
 - (5) the economic or market value of any **Data Asset**.

AMENDMENTS TO LIMITS OF LIABILITY AND RETENTIONS

1. Item 3. of the Declarations is amended by the addition of the following:
- (c) \$50,000 Sublimit of Liability for all **Privacy Event Expenses** from all **Data Breaches**. This Sublimit is part of and not in addition to the Limit of Liability provided for in 3(a).
 - (d) \$250,000 Limit of Liability for all **Loss** from all **Claims**, including **Regulatory Actions**, for **Data Security Wrongful Acts** or **Privacy Wrongful Acts**. This limit is part of and not in addition to the Limit of Liability provided for in 3(a).



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2. Item 4. of the Declarations is deleted and replaced with the following:

Item 4. Retentions

Insuring Agreement A:	\$ <u>0</u>	Each Claim for Privacy Wrongful Acts
Insuring Agreement B and/or C:	<u>\$1,000</u>	Each Claim for Privacy Wrongful Acts
	<u>\$1,000</u>	Each Reimbursement for Privacy Event Expenses pursuant to Section VIII.D. of the Policy

3. Section V. of the Policy is amended by the addition of the following:

The “Each Reimbursement for **Privacy Event Expenses**” Retention amount stated in Item 4. of the Declarations is the **Organization’s** obligation for all **Privacy Event Expenses** from each **Data Breach**.

The “Each **Claim** for **Data Security Wrongful Acts** or **Privacy Wrongful Acts**” Retention stated in Item 4. of the Declarations is the **Organization’s** obligation for each **Claim**, including any **Regulatory Action**. If a **Claim** and **Privacy Event Expenses** arise out of the same **Privacy Wrongful Act** or **Data Breach**, any amounts paid by the **Organization** in satisfaction of the “Each Reimbursement **Privacy Event Expenses**” Retention will also erode the “Each **Claim** for **Data Security Wrongful Acts** or **Privacy Wrongful Acts**” Retention with respect to such **Claim**.

4. Section V.C. is deleted and replaced with the following:

C. Costs of Defense incurred by either the **Insurer** or **Insured** shall be subject to applicable Retention and the Limit of Liability for all **Claims**, including **Regulatory Actions**, for **Data Security Wrongful Acts** or **Privacy Wrongful Acts**.

REPORTING OBLIGATIONS FOR A DATA BREACH

After a **Data Breach** is first discovered by an **Insured**, the **Insured** shall, as a condition precedent to coverage pursuant to this endorsement:

- (a) notify the **Insurer** of the **Data Breach** as soon as practicable but in no event later than thirty (30) days after the **Data Breach** is first discovered;



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- (b) take reasonable measures to stop or mitigate the damage caused by such **Data Breach**;
- (c) give the **Insurer**, upon request, a detailed proof of the damage caused by such **Data Breach**;
- (d) submit, upon request of the **Insurer**, to examination under oath and give the **Insurer** a signed statement of the **Insured's** answers; and
- (e) cooperate with the **Insurer** in the investigation and settlement of any payments as a result of the **Data Breach**.

For the purposes of coverage extended by this endorsement, a **Data Breach** is "first discovered" when any **Insured** first becomes aware of facts that would cause a reasonable person to assume a **Privacy Wrongful Act** has occurred even though the exact amount or details of loss may not then be known.

Notice of the **Data Breach** shall be given to the **Insurer** at the address indicated in Section VII.D. of the Policy.

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, provisions, agreements or limitations of the above mentioned Policy other than as above stated.

Great American Insurance Company Community Association Management Hotline

Great American Insurance Company is pleased to provide its Community Association Management Liability policyholders with limited access to the **Tressler LLP Toll-Free Hotline Service**, which is available from anywhere in the United States.

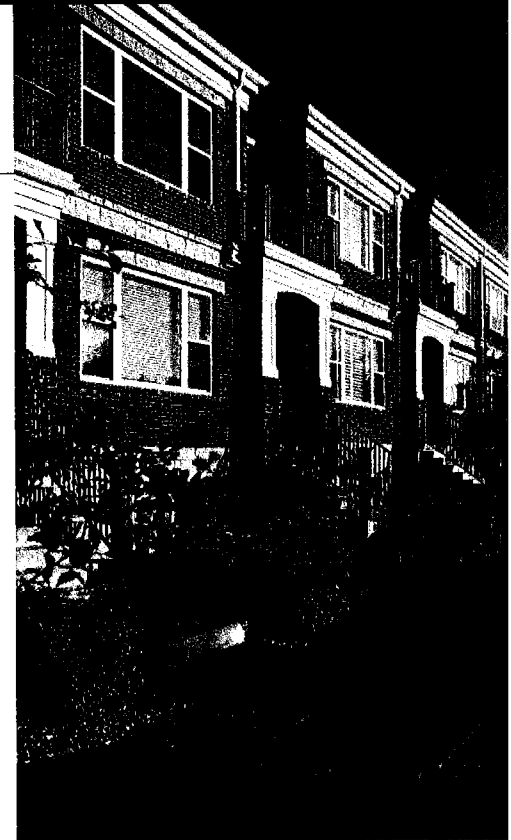
The Tressler Hotline is designed to provide quick, practical guidance from Tressler attorneys on day-to-day homeowner and condominium association issues. This service is included with your insurance policy. Tressler's goal is to return calls on the day they are received or within one (1) business day, barring any unforeseen delays due to a particular attorney's trial or travel schedule or other commitments. Most Hotline calls will last about 10-15 minutes. If a call requires more time, additional time will be allotted. While you can call as often as you wish, the Hotline is not a substitute for a relationship with counsel. Please remember to have your policy number available when you call.

The Hotline is for receiving a general overview about legal issues. It may not be used to report or file a notice of claim. In order to report a claim, it is your responsibility to notify your insurance agent or broker and Great American Insurance Company in accordance with the terms of the insurance policy. If you have any questions about how to report a claim, contact your insurance agent or broker. Tressler cannot answer any questions related to whether an event is or is not covered under any policy or to what extent.

This program was developed in conjunction with Tressler LLP, a law firm representing hundreds of condominium and common interest community associations of all sizes in Illinois. With more than 90 attorneys in two offices in Illinois and four additional offices in three states, Tressler has a recognized proficiency in homeowner and condominium association related issues. The firm provides regular legal advice on compliance with the Illinois statutes that govern the operation and day-to-day governance of associations, addresses questions regarding liability and premises damage as defined in various state acts, as well as provides guidance on matters involving board fiduciary duties and legal best practices. Tressler attorneys are also uniquely experienced to serve as defense counsel when litigation arises. Tressler's homeowner and condominium association attorneys are licensed to practice law in the state of Illinois.¹

¹ Please note that Tressler LLP and its lawyers are licensed to practice in the state of Illinois and cannot provide legal advice as it relates to questions or claims outside of the State of Illinois.

Coverage description is summarized. Refer to actual policy for a full description of applicable terms, conditions, limits and exclusions. The general guidelines provided by Tressler LLP are not a substitute for complete legal advice and are provided to assist policyholders in the management of potential losses. In making this service available, Great American Insurance Company does not warrant that all losses can be controlled. The liability of Great American Insurance Company and its affiliated insurers is limited to the terms, limits and conditions of the insurance policies underwritten by any of them. © 2016 Great American Insurance Company, 301 E. Fourth St., Cincinnati, OH 45202. 4717-ELD-1 (7/16)



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(844) DISTINS service@distinguished.com www.distinguished.com**Community Association Crime Coverage****Re:** North End Condominium Assn**Effective Date:** 2016-10-06**Expiration Date:**

2017-10-06

Our files indicate that this insured is eligible for our **Community Association Crime Coverage**. This product offers coverage options for Employee Dishonesty (Coverage 1) or Employee Dishonesty, Forgery or Alteration, Inside the Premises, Outside the Premises, Computer Fraud, Money Orders & Counterfeit Paper Currency, and Funds Transfer Fraud (Coverages 1-6, 8). Key features of this product include:

- Coverage for managing agent
- Non-compensated officers as employees endorsement
- Volunteers as employees endorsement
- Welfare & ERISA plan compliance
- Limits from \$25,000 up to \$5,000,000
- Flexible deductible options for those interested in additional coverage above limits offered via standard markets

The pricing options below reflect the most common limit and deductible combinations selected for this class of business in this insured's state. Of course, a wide variety of alternate options are available, as well.

Crime – Agreements #1

Crime Limit	Crime Deductible	Premium	Taxes	Fees	Total Cost
\$50,000	\$1,000	\$310	\$0	N/A	\$310
\$100,000	\$1,000	\$459	\$0	N/A	\$459
\$250,000	\$2,500	\$582	\$0	N/A	\$582

Crime – Agreements #1-6, 8

Crime Limit	Crime Deductible	Premium	Taxes	Fees	Total Cost
\$50,000	\$1,000	\$357	\$0	N/A	\$357
\$100,000	\$1,000	\$528	\$0	N/A	\$528
\$250,000	\$2,500	\$669	\$0	N/A	\$669

You will find a partially completed application on the following page. In order to receive a formal quote, simply send a copy of the completed application to your underwriter at cdezort@distinguished.com. Alternatively, you may access our Broker Portal and secure a quote via online submission at our website: Distinguished.com.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

10/08/2015

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER CISA Insurance 2170 Point Blvd Suite #600 Elgin, IL 60123 Kelly Rumachik	CONTACT NAME: Kelly Rumachik PHONE (A/C, No, Ext): 847-870-7000 FAX (A/C, No): 847-259-4487 E-MAIL ADDRESS: krumachik@cisainsurance.com														
INSURED North End Condominium c/o Rosen Management 6310 N Lincoln Ave Chicago, IL 60659	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">INSURER(S) AFFORDING COVERAGE</th> <th style="text-align: left;">NAIC #</th> </tr> </thead> <tbody> <tr> <td>INSURER A : Aspen American Ins. Co.</td> <td>43460</td> </tr> <tr> <td>INSURER B : Great American Ins.Co.</td> <td>16691</td> </tr> <tr> <td>INSURER C : Secura</td> <td>22543</td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </tbody> </table>	INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Aspen American Ins. Co.	43460	INSURER B : Great American Ins.Co.	16691	INSURER C : Secura	22543	INSURER D :		INSURER E :		INSURER F :	
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INSURER F :															

COVERAGES**CERTIFICATE NUMBER:****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	GENERAL LIABILITY			CISACP001030-00	10/06/2015	10/06/2016	EACH OCCURRENCE	\$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence)	\$ 500,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person)	\$ 5,000
	<input checked="" type="checkbox"/> Owner/Cont Prot.						PERSONAL & ADV INJURY	\$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	\$ 3,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG	\$ 1,000,000
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	\$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person)	\$
	<input type="checkbox"/> ALL OWNED AUTOS						BODILY INJURY (Per accident)	\$
	<input type="checkbox"/> HIRED AUTOS						PROPERTY DAMAGE (PER ACCIDENT)	\$
								\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB			UM30052172	10/06/2015	10/06/2016	EACH OCCURRENCE	\$ 5,000,000
	<input type="checkbox"/> EXCESS LIAB						AGGREGATE	\$ 5,000,000
	<input type="checkbox"/> DED <input checked="" type="checkbox"/> RETENTION \$ 0							\$
C	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY			3245243	11/04/2015	11/04/2016	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)						E.L. EACH ACCIDENT	\$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	\$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	\$ 1,000,000
A	Building			CISACP001030-00	10/06/2015	10/06/2016	Guar Repl	\$1000 ded
A	Crime/Fidelity			CISACP001030-00	10/06/2015	10/06/2016	75,000	\$500 ded

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

1-3 Story Brick building with 38 units

CERTIFICATE HOLDER**CANCELLATION**

GEN-001

General Certificate

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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NOTEPAD

INSURED'S NAME North End Condominium

NORT-79
OP ID: AGPAGE 2
Date 10/08/2015

DIRECTORS & OFFICER- Great American Ins Co- \$1,000,000/1,000,000/1,000
ded- Eff 10/06/15 to 10/15/16- Pol #EPP3656165-00

FLOOD/EARTHQUAKE (Each)- Aspen American Ins- \$1,000,000 ea/50,000 ded ea-
Eff 10/06/15 to 10/06/16- Pol #CISACP001030-00

EQUIPMENT BREAKDOWN- Aspen American Ins- Included/\$1,000 ded- Eff 10/06/15
to 10/06/16- Pol #CISACP001030-00

ORDINANCE or LAW- Aspen American Ins- Guarantee Replacement- Eff 10/06/15
to 10/06/16- Pol #CISACP001030-00

Bldg on 100% replacement cost. Assn is 1 3-story bldg w/38 units. Ratable
limit for this assn's bldg is not less than \$20,000. Severability of
interest & Waiver of subrogation incl on pkg pol. Rosen Management incl on
D&O and Fid covered

FILED DATE: 4/1/2019 1:08 PM 2019L003447

FILED DATE: 4/1/2019 1:08 PM 2019L003447



Aspen American Insurance Company

175 Capital Boulevard
Suite 100
Rocky Hill, CT 06068



Aspen American Insurance Company

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President and Secretary and countersigned where required by law on the Declarations page by its duly Authorized Representative.

A handwritten signature in black ink, appearing to read 'Kellan Band', written over a horizontal line.

Secretary

A handwritten signature in black ink, appearing to read 'W. O. C. L.', written over a horizontal line.

President



DECLARATIONS

Policy Number CISACP001030-01	Expiring Policy Number CISACP001030-00
Named Insured and Mailing Address North End Condominium Association c/o Rosen Management 6310 N Lincoln Ave Chicago, IL 60659	Producer Name and Address Condominium Insurance Specialists of America, Inc. 2170 Point Boulevard, Suite 600 Elgin, IL 60123

Insurance is issued by Aspen American Insurance Company, a stock insurance company, in consideration of the required premium payment for the insurance attached and for which a Limit of Insurance is shown on the Declarations Pages.

This policy is issued for the period 12:01 AM standard time at the Named Insured's mailing address.

From: 10/06/16

To: 10/06/17

These Declarations with Insurance, Conditions, Loss Provisions, Definitions and Amendments complete the policy.



COMMON DECLARATIONS

Issued By: Aspen American Insurance Company	Policy Number CISACP001030-01
Named Insured and Mailing Address North End Condominium Association c/o Rosen Management 6310 N Lincoln Ave Chicago, IL 60659	Producer Name and Mailing Address Condominium Insurance Specialists of America, Inc. 2170 Point Boulevard, Suite #600 Elgin, IL 60123
Premium for the Period From: 10/06/16 To: 10/06/17	
Insurance Coverages *	Forms
<div style="display: flex; justify-content: space-between;"> <div style="width: 40%;"> <input type="checkbox"/> Personal Property <input checked="" type="checkbox"/> Building <input type="checkbox"/> Income Insurance <input checked="" type="checkbox"/> Extra Expense <input checked="" type="checkbox"/> Fidelity <input checked="" type="checkbox"/> Commercial General Liability <input checked="" type="checkbox"/> Equipment Breakdown <input checked="" type="checkbox"/> Flood <input checked="" type="checkbox"/> Earthquake <input checked="" type="checkbox"/> Ordinance or Law <input type="checkbox"/> Other <input type="checkbox"/> Other </div> <div style="width: 60%;"> ASPCSA001DEC(01-14); ASPCSA002DEC(01-14); ASPCSA007(01-14); ASPCSA003DEC(01-14); ASPCSA009(02-15); ASPCSA041(01-14); ASPCSA040(01-14); ASPCSA057(07-14); ASPCSA011(07-14); ASPCSA014(01-14); ASPCSA015(01-14); ASPCSA033(01-15); ASPCSA054(06-14); ASPCSA066(11-14); ASPCSA004DEC(01-14); ASPCSA008(01-14); ASPCSA059(06-14); ASPCSA055(06-14); ASPCSA028(01-15); ASPCSA062(09-14); ASPCSA005DEC(01-14); ASPCSA010(01-14); ASPCSA031(01-14); ASPCSA063(09-14); ASPCSA044(01-14) ASPCSA047(09-14); ASPCSA048(01-14); ASPCSA034(01-15); APNOFAC0001(04-10). </div> </div>	
Total Premium \$ 7,900 **	** Premium Payment Provisions

* Coverage applies if a box is checked otherwise, there is no coverage

10/06/16	\$1,975
01/06/17	\$1,975
04/06/17	\$1,975
07/06/17	\$1,975



Association and Community Excellence Program

COMMUNITY COVERAGE COMMON POLICY CONDITIONS

A. Named Insured:

The "Association" in the Declarations is primarily responsible for payment of all premiums. The "Association" will act on behalf of all other insureds for the giving and receiving of any return premiums that become payable under this policy.

B. Cancellation

The "Association" may cancel this policy or any of its individual coverages at any time by sending the "Company" a written request, or by returning the policy and stating when there after cancellation is to take effective.

The "Company" may cancel this policy or any of its individual coverages at any time by sending to the "Association" a notice 60 days (10 days in the event of non-payment of premium) in advance of the cancellation date. The "Company's" notice of cancellation will be mailed to the "Association's" last known address, and will indicate the date on which coverage is terminated. If notice is mailed, proof of mailing will be sufficient proof of notice.

If the "Company" cancels, the refund will be pro rata. If the "Association" cancels, the refund may be less than pro rata. The cancellation will be effective even if the "Company" have not made or offered a refund. Any unearned premium will be returned as soon as practicable.

C. Transfer of Rights and Duties

The rights and duties of an insured under this insurance may not be transferred without the "Company's" written consent; except in an insured dies, then his rights and duties will be transferred to his legal representative, but only while acting within the scope of duties as his legal representative, or to anyone having temporary custody of his property until his legal representative has been appointed.

D. Concealment or Misrepresentation

This insurance is void if coverage is issued or continued premised on any fraudulent act or omission by any insured at any time. This policy is also void if any insured intentionally conceals or misrepresents any material fact or circumstance relating to:

1. This policy;
2. The Covered Property;
3. The "Association's" interest in the covered Property; or
4. Any aspect of any claim under this policy

E. Policy Amendments

This policy can only be changed by a written amendment issued by the "Company" that becomes part of this policy. The amendment must be signed by one of the "Company's" authorized representatives.

Any term of this insurance which is in conflict with the applicable statutes of the state in which the "Association" is located is amended to conform to such statutes.

F. Audit of Books and Records

The "Company" may audit the Insured's books and records as they relate to this insurance at any time during the term of this policy and up to three years afterwards.

G. Inspections and Survey

The "Company" has the right, but is not obligated, to:

1. make inspections and surveys of "Association" property and records at any time;
2. give the "Association" reports on the conditions the "Company" find; and
3. recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. The "Company" does not make safety inspections. The "Company" does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or for the public or to confirm or make any pronouncement as to whether any property meets safety or building code requirements or guidelines. Any inspections or surveys conducted by the "Company" or on the "Company's" behalf or any reports or recommendations issued by the "Company" or on the "Company's" behalf shall not be deemed or construed to be advice or notification to any insured of the means to avoid or eradicate property or liability exposures. The "Company" do not warrant that conditions:

1. are safe or healthful; or
2. comply with laws, regulation, codes or standards.

This condition applies not only to the "Company", but also to any rating, advisory, rate service or similar organization which makes an insurance inspection, survey, report, or recommendation for the "Company's" use or on the "Company's" behalf.

H. Liberalization

If the "Company" adopt any changes while this insurance is in force (or within 45 days prior to its effective date) which could broaden or extend this insurance without an additional premium charge, the insured will automatically receive the benefit of the broadened coverage.

I. Title of Paragraphs

The titles of the various paragraphs of this policy and amendments, if any, attached to this policy are inserted solely for convenience or reference and are not to be deemed in any way to limit or affect the provisions for which they relate.



PROPERTY INSURANCE COVERAGE DECLARATIONS

Named Insured: North End Condominium Association

Policy Number: CISACP001030-01

Policy Period:
10/06/16 to 10/06/17

Insureds Premises:
7528-36 N Ridge Blvd
Chicago, IL 60645

This insurance applies only to the Covered Property / Coverages for which a Limit of Insurance is shown below.

Covered Property / Coverages	Limits of Insurance
Building	\$ Replacement Guarantee
Equipment Breakdown	\$ Included
Ordinance or Law	\$ Replacement Guarantee
Flood	\$ 1,000,000
Earthquake	\$ 1,000,000
Personal Property	\$
Business Income/Extra Expense	\$

Covered Property / Coverages	Deductible per Claim
Property – Buildings	\$ 1,000
Property – Equipment Breakdown	\$ 1,000
Property - Flood	\$ 50,000
Property – Earthquake	\$ 50,000
Property – Vacant Unit	\$ 5,000
Property – Water Perils	\$ 5,000 See form ASPCSA040(01-14)
Mortgage holder:	

Other:

Replacement Guarantee Valuation: Yes

Aspen American Insurance Company

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Page 1 of 1

Authorized Representative

ASPCSA003DEC 0114



Association and Community Excellence Program

PROPERTY INSURANCE COVERAGE FORM

I. COVERAGE

A. Covered Property and Covered Causes of Loss

The "Company" will pay for direct physical loss or damage incurred to Covered Property shown below only when a Limit of Insurance is shown in the **Property Insurance Coverage Declarations** for such Covered Property. The direct physical loss or damage must be caused by a Covered Cause of Loss and occur at the premises described in the **Property Insurance Coverage Declarations**, unless otherwise stated herein or endorsed to this Coverage Form. Covered Causes of Loss means Risks Of Direct Physical Loss unless the loss is subject to any exclusions or limitations. Covered Property which is not directly physically injured, lost or damaged is not deemed to have sustained loss or damage.

1. Building

a. Building means any permanently situated structure owned by the "Association" and includes the following:

- (1) Remodeling and renovation of structures, provided that this does not include any incomplete additions, property under construction, or any component parts of or equipment used in or for the erection or construction of any additions or property under construction;
- (2) Original fixtures, machinery and equipment after being permanently installed by the developer; and
- (3) Signs, fixtures, and fencing.

b. Building does not mean or include any of the following:

- (1) The finished surfaces of perimeter and partition walls, floors, and ceiling within units, which includes but is not limited to paint, wallpaper, paneling, other wall covering, tile, carpet and any floor covering;
- (2) All improvement and betterments, upgrades and alterations, whether installed by a current or prior owners within units;
- (3) Roadways, sidewalks or any other paved surfaces;
- (4) Retaining walls that are not part of a building;
- (5) Pilings, docks, wharves, piers, bridges, and bullocks;
- (6) Land, water;
- (7) Growing crops, lawns, and except as stated otherwise, trees, shrubs, and plants;
- (8) Foundations, supports, pipes, flues or drains which are below the undersurface of the lowest floor, basement or underground and which are not located within the building;
- (9) The cost of excavations, grading, backfilling or filling;
- (10) Mobile equipment, ladders, scaffolding, cranes, tools, material, or any other equipment used or owned by a contractor or developer in the construction of a structure;
- (11) Radio or television antennas (including satellite dishes) and their lead-in wiring, masts or towers;
- (12) Outdoor, in-ground swimming pools which are not properly maintained;
- (13) Property that is covered under other insurance in which it is more specifically described, except for the excess of the amount due (whether an "insured" can collect on it or not) from that other insurance;
- (14) "Vacant Buildings"; and
- (15) Personal property of unit owners, tenants, or guests.

2. Personal Property

a. Personal property means personal property owned by the "Association" or personal property in which the "Association" has an insurable interest. The personal property must be located within 1,000 feet of the Buildings located on the premises described in the **Property Insurance Coverage Declarations**, but not Buildings, and includes:

- (1) The "Association's" interest in labor, materials, and services furnished or arranged by the "Association" on "Personal Property Of Others Including Employees"; and
- (2) Improvements and betterments to Buildings and glass in structures the "Association" does not own.

b. Personal property does not mean or include any of the following:

- (1) Land, water;
- (2) Growing crops, lawns, and, unless stated as otherwise, trees, shrubs, and plants.
- (3) Vehicles or machines licensed or designed for use on public roads;
- (4) Watercraft;
- (5) Aircraft;
- (6) Animals;
- (7) Contraband or property in the course of illegal transportation or trade;
- (8) Money and securities, stamps, coins, coin collections, bonds, accounts, tickets, food stamps, "Accounts Receivable", bills, currency, notes, "Assessment Fees Receivable" or other evidences of debt;
- (9) The cost to research, replace or restore the information on "Valuable Papers", computers, computer discs and other records, other than as provided in Additional Coverages section;
- (10) Personal property sold by the "Association" under a conditional sale or trust agreement or an installment or deferred payment plan after delivery to customers;
- (11) Personal property of a unit owner, shareholder/member, or tenant;
- (12) "Electronic Data Processing Equipment" and media, except as provided under "Electronic Data Processing Equipment" and "Electronic Data Processing Media" within the Additional Coverages section;
- (13) "Accounts Receivable", except as provided under Additional Coverages - "Accounts Receivable";
- (14) "Valuable Papers" and records, except as provided under Additional Coverages - "Valuable Papers".

B. "Business Income" and "Extra Expense" Coverage

1. The "Company" will pay for loss of "Business Income" and "Extra Expense" the "Association" incurs due to the necessary suspension of its "Operations" during the "Period Of Restoration". The necessary suspension of "Operations" must be caused by direct physical loss or damage to Covered Property at the premises described in the **Property Insurance Coverage Declarations** by a Covered Cause of Loss, subject to any exclusions or limitations.

The "Company" will also pay any "Extra Expense" incurred during the "Period Of Restoration". The "Company" will also pay any "Extra Expense" the "Association" incurs to repair or replace any Covered Property or to research and restore the lost information or damaged "Valuable Papers", records and "Electronic Data Processing Media" if that action will reduce any loss the "Company" would pay under this Coverage Form.

2. Limitations

The "Company" will not pay for:

- a. Any charges or expenses which cease to continue during the "Period of Restoration"; or

b. Any increase of loss caused by or resulting from:

- (1) Interference at the premises, described in the **Property Insurance Coverage Declarations**, by strikers or other persons causing a delay in rebuilding, repairing or replacing the property or resuming "Operations"; or
- (2) Suspension, lapse, or cancellation of any license, lease or contract. But if the suspension, lapse or cancellation is directly caused by the suspension of "Operations", the "Company" will cover such loss that affects the "Association's" "Business Income" during the "Period of Restoration".

3. Coverage Extension

This "Business Income" and "Extra Expense" insurance may be extended to apply to newly acquired premises, subject to a Limit of Insurance of \$250,000 per newly acquired premises.

Coverage provided by this extension will remain in force for each newly acquired premises until any of the following first occurs:

- a. The "Association" notifies the "Company" of how it wants this coverage to apply to the newly acquired premises;
- b. 180 days pass since the "Association" acquired the property; or
- c. This Coverage Form is terminated.

The "Company" will charge the "Association" additional premium for this Coverage Extension from the date it acquires the property.

4. Options

The following options apply when stated in the **Property Insurance Coverage Declarations**:

a. Maximum Period of Indemnity

The most the "Company" will pay for loss of "Business Income" and "Extra Expense" is the lesser of:

- (1) The amount of loss sustained during the 120 days immediately following the direct physical loss or damage; or
- (2) The Limit of Insurance shown in the **Property Insurance Coverage Declarations**.

b. Monthly Limit of Indemnity

- (1) The maximum the "Company" will pay for the loss of "Business Income" in each period of 30 consecutive days after the direct physical loss or damage will be determined by multiplying the Limit of Insurance times the monthly percentage stated in the **Property Insurance Coverage Declarations**.
- (2) The "Company" will pay more than the amount determined in (1), above, if the "Association" does not use the entire amount payable in a 30 day period. The unused amount may be carried over to the subsequent 30-day periods.
- (3) The "Company" will pay "Ordinary Payroll" expenses at the "Association's" directions subject to the Limit of Insurance.

5. "Ordinary Payroll" Limitation

Only if stated in the **Property Insurance Coverage Declarations**, "Business Income" coverage

includes "Ordinary Payroll" expenses. The **Property Insurance Coverage Declarations** will then state the number of days of "Ordinary Payroll" coverage and the Limit of Insurance will include the amount of "Ordinary Payroll". If the "Ordinary Payroll" expenses for the policy year vary during the year, the period of greatest "Ordinary Payroll" expenses will be used.

C. Fire Protective Equipment Coverage

The "Company" will provide coverage for the refilling of any discharged fire protective equipment. The most the "Company" will pay for refilling fire protective equipment in any one policy year is \$25,000. This limit is regardless of the number of:

1. Discharges of the fire protective equipment;
2. Fire protective equipment devices which have been discharged;
3. Premises or locations involved.

If the refill payment applicable to the first fire protective equipment discharge does not exhaust the sub-limit for this coverage, then the remaining balance can be applied to subsequent refills of such fire protective equipment during the policy year. If a fire protective equipment discharge begins in one policy year and continues immediately in to the subsequent policy year then all charges for the refill are deemed to be incurred in the policy year in which the discharge began.

D. Ordinance or Law Coverage

1. The "Company" will pay the additional costs that the "Association" incurs due to the enforcement of an ordinance or law regulating the construction, repair, use, or occupancy of any covered building or structure, or requiring the demolition of any building or structure, including the cost of removing its debris.

If a Covered Cause of Loss occurs to a covered building or structure then the "Company" will pay for:

- a. The loss or damage caused by enforcement of an ordinance or law that:
 - (1) Requires the demolition of undamaged parts of the same building or structure;
 - (2) Regulates the construction, repair, use or occupancy of buildings or structures at the covered premises which sustained loss or damage from a Covered Cause of Loss; and
 - (3) Is in force as of the inception of the loss.
 - b. The increased cost to repair, rebuild or reconstruct the damaged covered building or structure due to enforcement of an ordinance or law. If the building or structure is repaired or rebuilt, it must be repaired or rebuilt for occupancy or use similar to the occupancy or use employed on the date of the loss.
 - c. The cost to demolish and clear the site of undamaged parts of the building or structure due to the enforcement of an ordinance or law, subject to the terms, conditions and Limits of Insurance stated in and applicable to **I.E.3.c.(1), (2), and (3)**, "Debris Removal", below.
2. The "Company" will not pay for increased construction costs under this endorsement:
 - a. Until the property is actually repaired or replaced, at the same premises; and
 - b. Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 2 years, so long as actions to implement the repair or replacement are

commenced within 180 days of the date of loss. At the "Company's" sole option, the "Company" may extend this period during the 2 years. Unless such extension is stated in writing by the "Company", no such extension will be recognized as valid.

3. The "Company" will not pay any additional costs due to enforcement of an ordinance or law, if the covered building or structure is repaired or replaced, than the amount the "Association" actually spends to:
 - a. Demolish and clear the site; and
 - b. Repair, rebuild or reconstruct the covered building or structure with a building or structure property of the same or less height and square footage, and of comparable materials, quality and style on the same premises.
4. If the covered building or structure is not repaired or replaced on the same premises, there shall be no coverage for increased costs due to enforcement of an ordinance or law.
5. The terms of this Additional Coverage apply separately to each building to which the policy applies.
6. Ordinance or Law Coverage does not apply to any loss when, prior to the loss, the "Association" or its property manager:
 - a. Received notice from an authorized government representative or agent that the "Association" property was not in compliance with a local, state, or federal ordinance, regulation, or law; and
 - b. The "Association" did not conform its property to the requirements of said ordinance, regulation, or law within the time frame or time limit established by the applicable government entity for compliance with said ordinance, regulation or law.

E. Additional Coverages

1. Accounts Receivable

The "Company" will pay for direct physical loss or damage by a Covered Cause of Loss to the "Association's" "Accounts Receivable" records.

The "Company" will also pay for the additional "Administrative Costs" the "Association" incurs during the "Period Of Restoration" that it would not have incurred if there had been no direct physical loss or damage to Covered Property. The "Company" will pay no more than 25% of the amount of "Accounts Receivable" loss for these "Administrative Costs" incurred by the "Association".

2. Assessment Fees Receivable

The "Company" will pay for "Assessment Fees Receivable" caused by or resulting from direct physical damage to Covered Property by a Covered Cause of Loss during the time required to restore all or part of the affected unit to a habitable condition within a reasonable amount of time.

3. Debris Removal

- a. The "Company" will provide coverage for "Debris Removal" related to a direct physical loss or damage caused by or resulting from a Covered Cause of Loss. In order for coverage to be provided, the expenses must be reported to the "Company" within 180 days or the earlier of:
 - (1) The date of direct physical loss or damage; or
 - (2) The end of the policy period.
- b. This Additional Coverage excludes:

- (1) Costs incurred for the extraction of "Pollutants" from land, buildings, personal property or water; or
- (2) Costs incurred to remove, restore or replace polluted land or water.

c. The most the "Company" will pay for "Debris Removal" is the lesser of:

- (1) 25% of the total of the amount the "Company" pay for covered direct physical loss or damage to the Covered Property that sustained loss or damage plus the deductible;
- (2) The remaining applicable ratable values for Building or Personal Property for the Covered Property, as determined by the "Company" at the policy's inception or last anniversary (whichever is applicable), that sustained loss or damage after payment for the direct physical loss damage to the Covered Property; or
- (3) The actual amount expended for "Debris Removal".

If the amount in (1) or (2) above does not sufficiently pay for the "Debris Removal" expenses, then the most the "Company" will pay for any remaining "Debris Removal" shall be \$15,000 in excess of the ratable values for Building or Personal Property, as determined by the "Company" at the policy's inception or latest anniversary (whichever is applicable), plus the deductible.

4. Electronic Data Processing Equipment

The "Company" will pay for direct physical loss or damage to "Electronic Data Processing Equipment" caused by or resulting from a Covered Cause of Loss. However, this additional coverage excludes for direct physical loss or damage caused by:

- a. A sudden change in temperature or failure to maintain required temperature;
- b. An electrical fault, short, or arcing;
- c. A system failure caused by, resulting from, or consisting of any virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation; or
- d. The manipulation of a computer system (including electronic data) by any person.

The sub-limit for this additional coverage is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of incidents of loss or damage or the number of premises, locations or computer systems involved. When a loss incident begins in one policy year and continues or results in additional loss or damage in the immediately following policy year, all loss or damage is deemed to be sustained in the policy year in which the loss incident began.

5. Electronic Data Processing Media

The "Company" will pay for direct physical loss or damage to "Electronic Data Processing Media" caused by or resulting from a Covered Cause of Loss. However, this additional coverage excludes for direct physical loss or damage caused by:

- a. Sudden change in temperature or failure to maintain required temperature;
- b. Electrical fault, short, or arcing;
- c. Media failure caused by, resulting from, or consisting of any virus, harmful code or similar instruction introduced into or enacted on a computer system (including electronic data) or a network to which it is connected, designed to damage or destroy any part of the system or disrupt its normal operation; or

- d. Caused by, resulting from, or consisting of manipulation of a computer system (including electronic data) by any person.

The sub-limit for this additional coverage is \$25,000 for all loss or damage sustained in any one policy year, regardless of the number of incidents of loss or damage or the number of premises, locations or computer systems involved. When a loss incident begins in one policy year and continues or results in additional loss or damage in the immediately following policy year, all loss or damage is deemed to be sustained in the policy year in which the loss incident began.

6. Fine Arts

The "Company" will pay for direct physical loss or damage to "Fine Arts" owned by the "Association" or "Fine Arts" of others in the "Association's" care, custody or control at the premises described in the **Property Insurance Coverage Declarations** caused by or resulting from a Covered Cause of Loss which occurs during the time the Policy is in force. However, this additional coverage excludes for direct physical loss or damage caused by:

- a. Chipping, marring, scratching, theft, malicious mischief, disappearance with no physical evidence of break-in to the premises; and
- b. Damage caused by or resulting from lack of or excessive humidity

The "Company" will not pay more than \$2,500 for loss or damage to any one piece of "Fine Arts" and not more than \$25,000 for loss or damage for all "Fine Arts" loss or damage sustained in any one policy year, regardless of the number of incidents of loss or damage or the number of premises, locations or pieces of fine art involved. If loss payment for the first loss incident does not exhaust this sub-limit, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year.

7. Fire Department Service Charges

The "Company" will pay for "Fire Department Service Charges" incurred due to a Covered Cause of Loss during the time the Policy is in force at the premises described in the **Property Insurance Coverage Declarations**.

The sub-limit for this additional coverage is \$25,000 in any one policy year, regardless of the number of incidents in which a fire department responds to a call at the premises described in the **Property Insurance Coverage Declarations**, the number of premises, location or fire departments involved. If the sub-limit is not exhausted by the loss payment for the first loss incident, then the remaining balance may be applied to subsequent "Fire Department Service Charges" sustained in, but not after, that policy year. When a loss incident begins in one policy year and continues or results in additional "Fire Department Service Charges" in the immediately following policy year, all "Fire Department Service Charges" are considered to be sustained in the policy year in which the fire department response began.

No deductible applies to this coverage.

8. Loss/Claim Preparation

When required by written contract with the "Association's" property manager, executed prior to the inception of the loss, the "Company" will pay the reasonable charges at the rate per hour denoted in the contract for the property manager's time in assisting the "Association" in collecting data, safekeeping property, and preparing and recovering information and documents for the "Association's" submission and/or substantiation of a claim to the "Company" for loss or damage to Covered Property by a Covered Cause of Loss.

9. Loss/Claim Preparation

When required by written contract with the "Association's" property manager, executed prior to the inception of the loss, the "Company" will pay the reasonable charges at the rate per hour denoted in the contract for the property manager's time in assisting the "Association" in collecting data, safekeeping property, and preparing and recovering information and documents for the "Association's" submission and/or substantiation of a claim to the "Company" for loss or damage to Covered Property by a Covered Cause of Loss.

The sub-limit for this additional coverage is \$25,000 per policy year, regardless of the number of incidents of loss or damage, the number of premises, locations or times a property management staff member conducts loss/claim preparation actions, or the number of property management staff members involved in any loss/claim preparation. If the sub-limit is not exhausted by the payment for the first loss/claim preparation event, then the remaining balance may be applied to subsequent loss/claim preparation events which occur in, but not after, that policy year. With respect to a loss/claim preparation event which begins in one policy year and continues or results in additional time incurred by the property management staff in the immediately following policy year, all loss/claim preparation is considered to be sustained in the policy year in which the loss incident began.

10. Property Preservation

When it is necessary to move Covered Property from the premises described in the **Property Insurance Coverage Declarations** in order to preserve it from loss or damage from a Covered Cause of Loss, the "Company" will provide coverage for any direct physical loss or damage to such Covered Property from a Covered Cause of Loss and the reasonable cost incurred in loss prevention removal:

- a. While the Covered Property is being moved;
- b. While the Covered Property is temporarily stored at another location; and
- c. Only if the loss or damage to Covered Property occurs with 30 days after the Covered Property is first moved.

The sub-limit for this additional coverage is \$25,000 per policy year, regardless of the number of incidents of loss or damage or the number of premises, locations or times an "insured" carries out loss prevention removal actions. If payment for the first loss prevention removal incident does not exhaust this sub-limit, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to a loss prevention removal incident which begins in one policy year and continues or results in additional loss or damage in the immediately following year, all "Loss Prevention Removal" is considered to be sustained in the policy year in which the loss incident began.

11. Outdoor Trees, Shrubs, and Plants

The "Company" will pay for direct physical loss or damage to outdoor trees, shrubs, and plants owned by the "Association" that are lost or damaged as a direct result of:

- a. Fire;
- b. Lightning;
- c. Explosion;

- d. Riot or civil commotion,
- e. Aircraft, auto, and mobile equipment; or
- f. Vandalism and malicious mischief.

The "Company" will not pay more than \$2,500 for loss or damage to any one outdoor tree, shrub, or plant and not more than \$25,000 for loss or damage for all outdoor trees, shrubs, or plants, regardless of the number of incidents of loss or damage or the number of premises, locations or outdoor trees, shrubs, or plants involved. If loss payment for the first loss incident does not exhaust this sub-limit, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to a loss incident which begins in one policy year and continues or results in additional loss or damage in the immediately following policy year, all loss or damage is considered to be sustained in the policy year in which the loss incident began.

12. Personal Property of Others Including Employees

The "Company" will pay for direct physical loss or damage to "Personal Property Of Others Including Employees" caused by or resulting from a Covered Cause of Loss at the premises described in the **Property Insurance Coverage Declarations**. However, this additional coverage excludes direct physical loss or damage caused by:

- a. Theft; or
- b. Disappearance with no physical evidence of break-in to the premises, room, locker, cabinet, or container in which the personal property other others, including employees of the "Association", was kept.

"Personal Property Of Others Including Employees" of the "Association", is valued on the same basis as personal property owned by the "Association", but the most the "Company" will pay for any one loss incident is \$25,000.

13. Personal Property at Another Location

- a. The "Company" will pay for direct physical loss or damage to covered personal property owned by the "Association" while it is away from the premises described in the **Property Insurance Coverage Declarations** and lost or damaged by a Covered Cause of Loss, if it is:
 - (1) Temporarily at a location the "Association" does not own or lease or operate, other than at a bailee; or
 - (2) In storage at a location leased by the "Association", provided the lease was executed after the beginning of the current policy term.

However, this additional coverage does not apply to such personal property located in or on a vehicle or in the care, custody or control of the "Association's" salespersons, unless the property is in such care, custody or control at a fair, trade show or exhibition.

- b. The sub-limit for this additional coverage is \$25,000 for any one loss incident, regardless of the number of items lost or damaged and the number locations where the property is located.

14. Pollutant Clean Up and Removal

When caused by or resulting from a Covered Cause of Loss, the "Company" will provide coverage for the reasonable and necessary expenses incurred due to "Pollutant Clean Up and Removal". This additional coverage will only be provided if the expenses are reported to the "Company" in writing within 180 days of the date on which the Caused Cause of Loss occurs.

The most the "Company" will pay under this Additional Coverage in any one policy year is \$25,000, regardless of the number of "Pollutant Clean Up and Removal" incidents or the number of premises or locations involved. If loss payment for the first incident does not exhaust this sub-limit, then the balance is available for subsequent loss or damage sustained in, but not after, that policy year. With respect to a "Pollutant Clean Up and Removal" incident which begins in one policy year and continues or results in additional loss or damage in the immediately following policy year, all loss or damage is considered to be sustained in the policy year in which the loss incident began.

15. Valuable Papers

When caused by or resulting from a Covered Cause of Loss, the "Company" will provide coverage for the cost to research, replace or restore the information on lost or damaged "Valuable Papers".

The "Company" will also provide coverage for the "Administrative Costs" incurred by the "Association" during the "Period of Restoration" when such costs would not have been incurred had been no direct physical loss or damage to the "Valuable Papers". The "Company" will not pay more than 25% of the amount of the "Valuable Papers" loss for these "Administrative Costs".

F. Specified Causes of Loss

1. Fire or lightning;
2. Wind;
3. Hail;
4. Aircraft;
5. Riot or civil commotion;
6. Vehicles designed, or registered for highway use;
7. Explosion;
8. Smoke
9. Vandalism or malicious mischief;
10. Sprinkler leakage;
11. Weight of ice, snow, or sleet; or
12. Falling objects.

G. Exclusions

The "Company" will not pay for loss or damage caused directly or indirectly, resulting from, or consisting of any of the following, unless coverage is specifically endorsed to this Coverage Form or described in the **Property Insurance Coverage Declarations**. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or any sequence to the loss or damage.

1. Ordinance or Law

Except as stated in Paragraph **I.D.** above, the enforcement of any ordinance or law:

- a. Regulating the construction, use or repair of any property; or
- b. Requiring the tearing down of any property, including the cost of removing its debris unless coverage is specifically endorsed to this Coverage Form.

2. War and Military Action

- a.** War, including undeclared or civil war;
- b.** Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign, or other authority using military personal or other agents; or
- c.** Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against **a.** and **b.** above.

3. Governmental Action

Seizure or destruction of or damage to property by order of governmental authority or by governmental action, including governmental acts or decisions, planning, design, materials or maintenance.

But the "Company" will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread.

4. Nuclear Hazard

Any nuclear reaction or radiation or radioactive contamination, however caused.

But if nuclear reaction or radiation or radioactive contamination results in fire the "Company" will pay for loss or damage resulting from such fire.

5. Dishonesty

Any act or omission that is dishonest, fraudulent, or criminal by nature and that is committed by or at the command of the "Association" or by or at the command of an officer, director, trustee, member, shareholder, partner, employee, property manager, property manager's employee, or by anyone authorized to act for the "Association".

This exclusion does not apply to:

- a.** Acts of vandalism; or
- b.** Acts committed by carriers for hire or anyone claiming to be a carrier for hire.

6. Wear and Tear

Wear and tear, dry and/or wet rot, rust, corrosion, decay, color fading, hidden or latent defect, gradual deterioration or any quality in the property that causes it to damage or destroy itself.

This exclusion does not apply to any ensuing loss or damage caused by a Specified Cause of Loss.

7. Planning, Design, Materials or Maintenance

Faulty, inadequate, negligent, or defective:

- a.** Planning, zoning, development, surveying, siting;
- b.** Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;

- c. Materials used in repair, construction, renovation or remodeling; or
- d. Maintenance;

of or to any part or all of any property on or off the described premises.

This exclusion does not apply to any ensuing loss or damage to Covered Property caused by a Specified Cause of Loss.

8. Mistakes

Errors in systems programming or errors resulting in damage to personal property or "Personal Property Of Others Including Employees" or the "Association's" property manager, being worked on, altered or repaired if the loss or damage results from that work.

This exclusion does not apply to:

- a. Any ensuing loss or ensuing damage to Covered Property by a Specified Cause of Loss; or
- b. "Accounts Receivable", "Valuable Papers", or "Fine Arts".

9. Insects or Vermin

Any insects, vermin, birds, rodents or other animals. This exclusion does not apply to any ensuing loss or ensuing damage to Covered Property by a Specified Cause of Loss.

10. Earth Movement

- a. Earthquake, including tectonic and other naturally generated movement of land;
- b. Earth sinking, rising, or shifting of the ground; or
- c. Landslide, subsidence, and/or volcanic action, including ground or airborne shock waves, pyrotechnic blasts or waves, lava, and ash, dust, debris and/or particulate generated from a volcano emission or eruption.

This exclusion does not apply to any ensuing loss or ensuing damage by a Specified Cause of Loss.

For purposes of this exclusion, a loss is defined as damage to any premises described in the **Property Insurance Coverage Declarations** that occurs within 72 hours following the inception of the peril event identified in this exclusion.

11. Water Damage

- a. Waves, tidal water or tidal wave, the rising, overflowing or breaking of boundaries of lakes, reservoirs, rivers, streams, or other bodies of water, whether driven by wind or not;
- b. Mudslide or mudflow; or
- c. Water under the ground surface pressing on or flowing or seeping through:
 - (1) Foundations, walls, floors, or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows, or other openings;

This exclusion does not apply to any ensuing loss or damage caused by or resulting from a Specified Cause of Loss. For purposes of this exclusion, a loss is defined as damage to all insured locations that occurs within 72 hours following the inception of the peril event identified in this exclusion.

12. Pollution

Discharge, dispersal, seepage, migration, release or escape of "Pollutants" unless such Discharge, dispersal, seepage, migration, release or escape is itself caused by a Specified Cause of Loss.

13. Settling

Settling, cracking, shrinkage or expansion of:

- a. Pavements
- b. Foundations;
- c. Walls;
- d. Floors;
- e. Ceilings; or
- f. Swimming pools.

This exclusion does not apply to any ensuing loss or damage caused by or resulting from a Specified Cause of Loss.

14. Theft

Mysterious disappearance, inventory shortage, theft of property while unattended in or on any vehicle or trailer, unless:

- a. The property is contained in a securely locked body or compartment of the vehicle; and
- b. There are visible marks of forced entry.

15. Electrical Arcing

Electric arcing to property.

16. Mechanical Breakdown

Mechanical breakdown of Covered Property, Electronic Data Processing Equipment or Electronic Data Processing Media.

This exclusion does not apply to an ensuing loss or damage which results to other Covered Property any ensuing loss or which is caused by Specified Cause of Loss.

17. Boiler

- a. Loss or damage to any boiler, steam pipe, steam turbine, or steam engine the "Association" owns, operate, or lease by any condition or event within that boiler, steam pipe, steam turbine, or steam engine; or

- b. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any non-explosion condition or non-explosion event inside such boilers or equipment.

18. Collapse

"Collapse" of buildings or personal property except as expressly provided below.

- a. The "Company" will pay for direct physical loss or damage to Covered Buildings caused by a "Collapse" which occurs as a result of one or more of the following:
 - (1) Fire, lightning, wind or hail, explosion, aircraft, vehicles, falling objects, malicious mischief, leakage from fire extinguishing equipment, water damage (not otherwise excluded), or the abrupt falling down or caving in of its foundation or the foundation of one or more adjacent buildings or structures provided that such abrupt falling down or caving in is not caused by a peril otherwise excluded;
 - (2) Building decay or insect or vermin damage that is hidden from view, unless the presence of such decay is known to the "insured";
 - (3) Weight of ice, snow, sleet, or rain which collects on a roof;
 - (4) Weight of contents, equipment, animals or people within a building;
 - (5) Use of defective materials or methods in construction, remodeling, or renovation if the "Collapse" occurs during the course of construction, remodeling, or renovation to the "Association's" premises.
- b. The "Company" will pay for loss or damage to Covered Personal Property directly caused by or resulting from "Collapse" of a building or structure that is insured under this Coverage Form.

19. Fungus, Wet Rot, Dry Rot and Bacteria

The "Company" will not pay for loss or damage consisting of, caused by, or resulting from, directly or indirectly, regardless of any other cause or event that contributes concurrently or in any sequence to the loss, the presence, growth, proliferation, spread or any activity of "Fungus", wet or dry rot, or bacteria.

This exclusion does not apply:

- a. When "Fungus", wet or dry rot, or bacteria results from fire or lightning; or
- b. To the extent that coverage is provided in the Limitations for "Fungus", Wet or Dry Rot, and Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

20. Acts Or Decisions

Acts, decisions, errors or omissions, including the failure to act or decide, by any person, group, organization, entity, or governmental body.

21. Lead and Asbestos

Any loss or damage caused by, resulting from, or consisting of the presence of lead or asbestos in any form, or as a component of any type of Covered Property, at the premises described in the **Property Insurance Coverage Declarations**.

H. Additional Limited Coverages

1. Burglary or Hijack

The most the "Company" will pay for direct physical loss or damage by burglary or hijack of furs, gems, watches, precious metals or alloys is \$10,000 for any one loss

2. Fungus, Wet Rot, Dry Rot and Bacteria

- a. This Limited Coverage applies only when the "Fungus", wet or dry rot, or bacteria is caused by or the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence.

The "Company" will pay for loss or damage by "Fungus", wet or dry rot, or bacteria. As described in this Limited Coverage, the term loss or damage means:

- (1) Direct physical loss or damage to Covered Property caused by, resulting from, or consisting of "Fungus", wet or dry rot, or bacteria, including the cost of removal of the "Fungus", wet or dry rot, or bacteria;
- (2) The cost to tear out and replace any part of the building or other property as needed to gain access to the "Fungus", wet or dry rot, or bacteria; and
- (3) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a evidence that "Fungus", wet or dry rot, or bacteria are present.

The amount the "Company" shall pay under this Limited Coverage for loss under any one policy year shall not exceed \$15,000, regardless of the number of claims or losses made, claimants who present claims or losses, or incidences in which "Fungus", wet or dry rot, and/or bacteria appear at or in the premises described in the **Property Insurance Coverage Declarations** and cause damage to Covered Property. The limit applicable to this Limited Coverage will continue to only apply to the policy year in which the "Fungus", wet or dry rot, or bacteria first manifests, even in if the "Fungus", wet or dry rot, or bacteria continues to be present or active, or recurs in a subsequent policy period.

The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular loss results in loss or damage by "Fungus", wet or dry rot, or bacteria, and other loss or damage by a different Covered Cause of Loss, the "Company" will not pay more for the total of all loss or damage than the applicable Limit of Insurance on the affected Covered Property.

If there is covered loss or damage to Covered Property not caused by, consisting of, or resulting from "Fungus", wet or dry rot, or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "Fungus", wet or dry rot, or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

- b. The following applies only if "Business Income" and "Extra Expense" coverage applies to the described premises and only if the suspension of "Operations" satisfies all terms and conditions of the "Business Income" and "Extra Expense" coverage:
- (1) If the loss which was caused by, consisted of, or resulted from "Fungus", wet or dry rot, or bacteria does not in itself necessitate a suspension of "Operations", but such suspension is necessary due to loss or damage to Covered Property caused by or resulting from "Fungus", wet or dry rot, or bacteria, then the "Company's" payment under "Business Income" and/or "Extra Expense" is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.
 - (2) If a covered suspension of "Operations" was caused by loss or damage other than "Fungus", wet or dry rot, or bacteria but remediation of "Fungus", wet or dry rot, or bacteria prolongs the "Period Of Restoration", the "Company" will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "Period Of Restoration"), but such coverage extension is limited to 30 days. The days need not be consecutive.

c. If Ordinance Or Law Coverage applies with respect to Property Damage or "Business Income" and "Extra Expense", the "Company" will not pay under the Ordinance Or Law Coverage for:

- (1) Loss, damage or expense sustained due to the enforcement of any ordinance or law which requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of "Fungus", wet or dry rot, or bacteria; or
- (2) The costs associated with the enforcement of any ordinance or law which requires any "insured" or others to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, or in any way respond to, or assess the effects of "Fungus", wet or dry rot, or bacteria.

II. LIMITS OF INSURANCE

- A. The most the "Company" will pay for direct physical loss or damage for any one Covered Cause of Loss is the amount of the loss, not to exceed either an applicable Limit of Insurance or a Replacement Guarantee as stated in the **Property Insurance Coverage Declarations**.
- B. The Limits applicable to the various Additional Coverages are in addition to the Limits of Insurance shown in the **Property Insurance Coverage Declarations**.

Except as specified under Paragraph I.E. **Additional Coverages**, the most the "Company" will pay for Additional Coverages is a combined Limit of Insurance of \$500,000 for any one loss and in the aggregate for any one policy year and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the **Property Insurance Coverage Declarations**, unless the policy period is extended after issuance for an additional period of less than 12 months.

The per claim and aggregate Limit of Insurance for Additional Coverages shall apply regardless of the number of:

1. Incidents in which an Additional Coverage loss or damage claim is made;
2. "Insureds" making claim;
3. Premises or locations involved; and
4. Additional Coverages to which the claim or loss may apply.

If the policy period is extended after policy issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding 12 month period for purposes of determining the Limits of Insurance for Additional Coverages. With respect to any loss or damage claim made for any or all Additional Coverages which begins in one policy year and continues or results in ongoing loss or damage in the immediately following policy year, all such Additional Coverage claims are deemed to be sustained in the policy year in which the Additional Coverage loss or damage began. This Limit of Insurance is in addition to the Limits of Insurance stated in the **Property Insurance Coverage Declarations**.

III. DEDUCTIBLE

The "Company" will pay the amount of direct physical loss or damage in excess of the deductible amount stated in the **Property Insurance Coverage Declarations** or elsewhere in the Coverage Form. The deductible amount applies separately to each loss. If two or more deductibles apply to the same loss, only the largest single deductible will apply, unless otherwise stated.

IV. VALUATION

A. Buildings

1. "Replacement Cost" basis will be used to value every Building, unless Replacement Guarantee is shown in the **Property Insurance Coverage Declarations**.
2. If a Building is repaired or rebuilt by the "Association" as soon as reasonably possible, the "Company" will not pay more for loss or damage on a "Replacement Cost" basis than the least of:
 - a. The Limit of Insurance applicable to the lost or damaged property;
 - b. The cost to replace the lost or damage property, on the same or other premises, with other property if like material and quality and used for the same purpose; or
 - c. The actual amount spent by the "Association" to repair or rebuild the lost or damaged property.
3. If Replacement Guarantee is shown in the **Property Insurance Coverage Declarations**, the "Company" will pay no more than the lesser of 2.a. or 2.b. above, regardless of the amount used as the rating base for the Limit of Insurance. The Replacement Guarantee contingent upon the following:
 - a. The "Company" is authorized by the "Association" on each anniversary date after the policy inception to make changes in the premium for Building Coverages based upon the "Company's" valuation, so that the rating base for the Building Coverage equals the full "Replacement Cost" of the building as of that date.
 - b. The cost of any "Association" owned additions and alterations made during the policy term which increases the "Replacement Cost" of the building by \$250,000 or more are reported to the "Company" by the Company. This report shall be provided to the "Company" in writing within 90 days after completion of any addition and/or alteration to Covered Property.
 - c. The "Association" then must purchase an additional amount of insurance for the Building Coverage equal to the cost of the additions and alterations immediately upon reporting these additions and alterations, with premium to be charged as of the date the construction of the addition or alteration began.
 - d. When requested by the "Company", the "Association" will provide the "Company" with the bills, receipts, invoices, or any other evidence or payment or debit with respect to the costs of the addition or alteration and allow the "Company" to audit the costs of any construction or remodeling performed by or for the "Association" during the time the policy is in force.

B. Personal Property

Personal Property that has been replaced after a Covered Cause of Loss is valued on a "Replacement Cost" basis or, if so stated in the **Property Insurance Coverage Declarations**, on a Replacement Guarantee basis. The valuation of Personal Property includes the cost of identifying and reconditioning damaged Covered Personal Property. Personal property lost or damaged by a Covered Cause of Loss and not actually replaced or repaired is valued on an actual cash value basis of "Replacement Cost" minus any physical depreciation.

C. Actual Cash Value

When Covered Property has not been repaired, rebuilt, or replaced, it will be valued at its actual cash value ("Replacement Cost" minus the value of physical depreciation to the property) as of the date of loss. If loss is paid on an actual cash value basis and the "Company" is informed, in writing, within 12

months from the inception of the loss the property will be repaired, rebuilt, or replaced, the "Company" will pay the "Association", after the property is actually repaired, rebuilt, or replaced and subject to the Conditions of this insurance, the difference between actual cash value and "Replacement Cost" of the property.

D. Business Income and Extra Expense

"Business Income" loss payment will be determined as follows.

1. The valuation of a "Business Income" loss is determined by:
 - a. The net income of the "Association's" business prior to the occurrence of any direct physical loss or damage;
 - b. The probable net income of the "Association's" business had there not been any direct physical loss or damage;
 - c. The operation expenses, including the "Association's" "Ordinary Payroll" expenses, needed to resume "Operations" with the same quality of service that existed immediately prior to such direct physical loss or damage
 - d. Any other relevant sources of information including:
 - (1) The financial records accounting procedures of the "Association";
 - (2) Bills, invoices and other vouchers; and
 - (3) Deeds, liens and contracts.
2. The valuation of an "Extra Expense" loss is determined by:
 - a. Any expenses in addition to the average operation expenses that would have been incurred by "Operations" during the "Period of Restoration" if no direct physical loss or damage had occurred. However, the following will be deducted during the valuation of such expenses:
 - (1) The remaining salvage value of any property bought for temporary use during "Period Of Restoration", once "Operations" are resumed; and
 - (2) Any "Extra Expense" that is paid for by other insurance;
 - b. All necessary expenses that reduce the "Business Income" loss that otherwise would have been incurred.
3. The "Association's" "Business Income" loss payment, other than "Extra Expense", will be reduced to the extent the "Association" can resume its "Operations", in whole or in part, by using damaged or undamaged property, including merchandise or stock, at the described premises or elsewhere.

E. Accounts Receivable, Valuable Papers and Electronic Media

"Accounts Receivable", "Valuable Papers" and records, negatives, transparencies, tapes and print are valued based on the actual cost of blank materials, including electronic data processing media, but not prepackaged software programs, plus, if copied, the expense of copying data onto blank material.

F. Accounts Receivable

"Accounts Receivable" is valued as follows.

1. When the "Association" cannot accurately establish the amount of "Accounts Receivables" outstanding at the time of a loss from a Covered Cause of Loss, the amount of the loss will be based on the latest statement of monthly values and will be computed as follows:

- a. Determine the amount of all outstanding "Accounts Receivable" at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
 - b. Determine the percentage of increase or decrease in the "Association's" income from assessments, fees, fines, and charges for the 12 fiscal months immediately preceding the month in which the loss occurred against the 12 months prior to the period determined in **IV.F.1.a.** above;
 - c. The total amount of "Accounts Receivable" as of the last day of the fiscal month in which the loss occurs will be the amount determined in Step a. plus or minus the percentage as determined in **IV.F.1.b.** above.; and
 - d. The established monthly amount of "Accounts Receivable" will be adjusted for the normal fluctuation in the amount of "Accounts Receivable" in the fiscal month in which the loss occurs.
2. The total amount of "Accounts Receivable" determined by the "Company" will be deducted by:
- a. The amount of any accounts not lost or damaged, as evidenced by records;
 - b. Any other amounts the "Association" is able to establish or collect; and
 - c. An amount to allow for probable bad debts which normally would not have been collected by the "Association".
3. If any amount of "Accounts Receivable" that were included in the amount of the paid loss is recovered by the "Association", it will return this amount to the "Company", up to the total amount of the paid loss. The "Association" may retain any amount of any "Accounts Receivable" recovered in excess of the amount the "Company" paid for the loss.

G. Outdoor Trees, Shrubs, and Plants

When outdoor trees, shrubs, plants are replaced, they are valued on a "Replacement Cost" basis; otherwise they are valued on an actual cash value basis.

H. Valuable Papers

"Valuable Papers" are valued based on the full cost of replacement or reproduction when actually replaced or reproduced; otherwise they are valued on the value of blank media.

I. Electronic Data Processing Equipment

"Electronic Data Processing Equipment" is valued on a "Replacement Cost" basis when its actually repaired or replaced; otherwise it is valued on an actual cost basis.

J. Fine Arts

1. "Fine Arts" are valued at the market value at the time of loss.
2. When the damaged article is part of a pair or set, the owner may choose one of the following methods of loss payment the "Company" will pay:
 - a. The market value of the entire pair or set. The owner will return to the "Company" the remaining pieces;

- b. The cost to repair the damaged pieces and the owner will keep the undamaged pieces. If the pair or set, with the repaired pieces, has a lower value than it had prior to the loss, the "Company" will also pay the difference. In no event will the "Company" pay more than the value the pair or set had prior to the loss; or
- c. The market value of the lost or damaged pieces prior to the loss when the pieces cannot be found or repaired. The owner will keep the undamaged pieces. If the remaining pieces have a reduced value, the "Company" will pay the difference between the value of the remaining pieces prior to the loss and after the loss. In no event will the "Company" pay more than the value the pair or set had prior to the loss.

V. CONDITIONS

A. Coverage Territory

This insurance will provide coverage:

1. Anywhere within and between the continental United States of America and in Canada, excluding inter-coastal shipments to or from Alaska; and;
2. Anywhere in and in transit within:
 - a. The state of Hawaii;
 - b. Puerto Rico; and
 - c. Territories or possessions of the United States of America.

B. No Benefit to Carrier or Bailee

No person or organization, other than the "Association", having custody of insured property may benefit from this insurance.

C. Abandonment

There can be no abandonment of any property to the "Company".

D. Duties in the Event of Occurrence or Claim

1. The "Association" must see that the following are done in the event of loss or damage to Covered Property:
 - a. Notify the police if a law may have been broken and press charges if criminal activity is involved.
 - b. Give the "Company", or one of the "Company's" authorized representatives, prompt notice of the loss or damage along with a description of the property involved. The notice should also include a description of how, when and where the loss occurred along with the names and addresses of available witnesses.
 - c. Permit the "Company" to inspect any property and records relevant to the loss or damage, relevance to be deemed solely by the "Company". Also permit the "Company" to take samples of damaged property for inspection, testing, and analysis.
 - d. Take every reasonable step to protect Covered Property from further damage. If possible, separate damaged property from undamaged property. Make reasonable repairs where necessary for such protection and separation, and keep a record of the repair expenses incurred for consideration in the settlement of the claim. This will not increase the Limit of Insurance.

- e. Cooperate with the "Company" in the investigation, settlement or handling of any claim.
 - f. File with the "Company", or with the "Company's" authorized representative, any requested sworn proof of loss within 90 days after the "Company's" request.
2. The "Association" must permit the "Company" to examine any of the "Association's" employees under oath whenever the "Company's" investigation deems necessary. At the "Company's" request, the "Association" and "Association's" employee must sign any statement given to the "Company's" representative.
 3. Failure of an agent or one of the "Association's" employees, other than an officer, director, board member, trustee, property manager, or an employee of the property manager, to promptly notify the "Company" of any loss or damage to Covered Property that he knows about will not affect coverage provided to the "Association" by this Coverage Form.

E. Loss Payment

1. In the event of loss or damage covered by this insurance, the "Company" will either:
 - a. Pay the value of lost or damaged property;
 - b. Pay the necessary cost of repairing or replacing the lost or damaged property, plus any reduction in value of repaired items;
 - c. Take all or any part of the property at an agreed or appraised value; or
 - d. Repair, rebuild or replace the property, as the "Company" and the "insured" agree is necessary and appropriate, with material and equipment of like kind and quality.
2. The "Company" will give notice of the "Company's" intentions within 30 days after the "Company" receives the sworn statement of loss.
3. The "Company" will not pay any property owner or any other person or entity more than his financial interest in the Covered Property.
4. The "Company" may adjust any loss with the owner of lost or damaged property if other than an "insured". If the "Company" pays the owner, such payment will satisfy the relevant "insured's" claims against the "Company" for the owner's property. The "Company" will not pay the owner more than his financial interest in the Covered Property.
5. The "Company" may elect to defend any "insured" against suits arising from a claim by an owner of lost or damaged Covered Property. If the "Company" so elects, the "Company" will do this at its own expense.
6. The "Company" may pay a reward, for an amount determined by it, for new information leading to a conviction in connection with a Covered Cause of Loss resulting from arson, vandalism or a deliberate and malicious act.
7. The "Company" will pay for covered loss or damage within 30 days after the "Company" receives a Sworn Statement in Proof of Loss, if:
 - a. any involved "insured" has complied with all the terms of this insurance; and
 - b. (1) The "Company" have reached agreement with any involved "insured", property owner, or

other person having an insurable interest in the lost or damaged property on the amount of loss; or

- (2) An appraisal award has been made, and the "Company" does not contest coverage.

F. Mortgageholders

1. The term mortgageholder includes trustee.
2. The "Company" will pay for covered loss of or damage to buildings or structures to each mortgageholder shown in the **Property Insurance Coverage Declarations** in their order of precedence, as their interests may appear.
3. The mortgageholder has the right to receive loss payment even if the mortgageholder started foreclosure or similar action on the covered building or structure prior to the inception of the loss.
4. If the "Company" denies the "Association's" claim because of the "Association's" acts or because the "Association" failed to comply with the terms of this Coverage Form, the mortgageholder will still have the right to receive loss payment if the mortgageholder:
 - a. Pays any premium due under this Coverage Form at the "Company's" request if the "Association" or cooperative have failed to do so;
 - b. Submits a signed, sworn proof of loss within 60 days after receiving notice from the "Company" of the "Association's" or cooperative's failure to do so; and
 - c. Has notified the "Company" of any change in ownership, occupancy, or substantial change in risk known to the mortgageholder.

All of the terms of this Coverage Form will then apply directly to the mortgageholder.

5. If the "Company" pays the mortgageholder for any loss or damage and deny payment to the "Association" because of the "Association's" acts or because the "Association" failed to comply with the terms of this Coverage Form:
 - a. The mortgageholder's rights under the mortgage will be transferred to the "Company" to the extent of the amount the "Company" pays; and
 - b. The mortgageholder's right to recover the full amount of the mortgageholder's claim will not be impaired. At the "Company's" option, the "Company" may pay to the mortgageholder the whole principal on the mortgage plus any accrued interest. In this event, the "Association's" mortgage and note will be transferred to the "Company" and the "Association" will pay its remaining mortgage debt to the "Company".
6. If the "Company" cancels this Coverage Form, the "Company" will give written notice to the mortgageholder at least:
 - a. 10 days before the effective date of cancellation if the "Company" cancels for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if the "Company" cancels for any other reason.
7. If the "Company" elects not to renew this Coverage Form, the "Company" will give written notice to the mortgageholder at least 10 days before the expiration date of this Coverage Form.

G. Loss Payable - Other Than Buildings

When both an "insured" and a Loss Payee, as shown in the **Property Insurance Coverage Declarations**, have an insurable interest in Covered Property the "Company" will:

1. Adjust any loss with the "insured"; and
2. Pay any claim for loss or damage jointly to the "insured" and to the Loss Payee, as each respective interest may appear.

H. Appraisal

If the "Company" and an "insured" do not agree on the amount of a loss, either may make a written demand for an appraisal of the loss. In this event, each party will select and pay a competent and impartial appraiser. The two appraisers will select an umpire. If the appraisers cannot agree on an umpire, either may request that that selection be made by a judge of court having jurisdiction. The appraisers will separately state the amount of net income and operation expense, the value of the property and the amount of the loss. If the appraisers do not agree, they will submit their statements to the umpire. Agreement by any two on the amount of a loss will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Equally share any other appraisal expenses and the expenses of the umpire.

Even though the "Company" may submit to an appraisal, the "Company" retains its right to deny the claim.

I. Other Insurance

1. If an "insured" has other insurance that provides coverage for a loss covered by this Coverage Form, the "Company" shall not be liable for a greater proportion of the loss than the applicable Limit of Insurance under this Coverage Form bears to the total applicable Limit of Insurance of all insurance against such loss.
2. If a unit owner has other insurance covering the same property covered by this Coverage Form, the insurance afforded by this Coverage Form shall be primary, not contributing with or in excess to such other insurance.

J. Recovery

1. If either an "insured" or the "Company" recovers any property after loss settlement, that party must give the other prompt notice. At the "insured's" option, the property will be returned to the "insured". The "insured" must then return to the "Company" the amount the "Company" paid to the "insured" for the property. The "Company" will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.
2. If recovery is obtained of any of the amount of "Assessment Fees Receivable", and that amount was included in the amount of the paid loss, the "Association" must return the recovered amount to the "Company", up to the total amount of the paid loss. The "Association" may retain any amount of any "Assessment Fees Receivable" recovered in excess of the amount the "Company" paid for the loss. Any rights that the "Association" may possess to recover and to enforce collection of "Assessment Fees Receivable" are transferred to the "Company". The "Association" may not waive its rights to recover "Assessment Fees Receivable" for which the "Company" has made payment without the "Company's" written permission.

K. Transfer Of Rights Of Recovery Against Others To The "Company"

If any person or organization to or for whom the "Company" makes payment under this insurance has any right to recover damages from another person or organization, those rights are transferred to the "Company" to the extent of the "Company's" payment. The person or organization to or for whom the "Company" makes payment must do everything necessary to secure the "Company's" rights and must do nothing after loss to impair to the "Company's" rights. The "Association" may waive its rights against another party, if waived in writing prior to loss to Covered Property. This will not restrict the "Association's" insurance.

L. Legal Action Against The "Company"

No legal action may be brought against the "Company" until there has been full compliance with all terms of this insurance.

Any legal action against the "Company" must be started within one year after the inception of loss.

No person or organization has any right under this insurance to bring the "Company" into any action to determine the liability of any "insured".

VI. DEFINITIONS

When used with respect to insurance under this Coverage Form:

- A. "Accounts Receivable" means all amounts due to the "Association" that is unable to collect from unit owners, shareholders, members, or tenants as the result of loss or damage to the "Association's" "Accounts Receivable" records including those on electronic data processing media.

"Accounts Receivable" includes:

1. Interest charges on any loan that the "Association" secures to offset its reduced cash flow;
2. Additional collection costs that arise as a result of the loss; and
3. Reasonable expenses incurred to re-establish the "Association's" "Accounts Receivable" records.

- B. "Administrative Costs" means any reasonable Extra Expense" incurred by the "Association" while recreating, repairing, replacing or reproducing lost, damage or destroyed Covered Property.

- C. "Assessment Fees Receivable" means those sums which are due to the "Association" as maintenance or other assessment fees, fines, or other charges required to be paid by the individual unit owner(s), shareholder(s), member(s), or tenant(s) of the unit or shareholder, and which:

1. The "Association" has been unable to collect, despite its best efforts; and
2. Are the result of direct physical damage from a Covered Cause of Loss to Covered Property which has rendered the unit(s) owned by the unit owner(s), shareholder(s), or member(s), or their tenant(s) untenable.

However, "Assessment Fees Receivable" does not include "Rent" or any payment for any financing provided by the "Association".

- D. "Association" means the homeowners', condominium, or townhouse "Association" or cooperative corporation listed as the Named Insured in the **Property Insurance Coverage Declarations**. The "Association" does not include any developer, or any partner or member of the developer.

- E. "Business Income" means:

1. Net income (net profit or loss prior to the deduction of income taxes), exclusive of any "Rent" income, that would have been earned or incurred by the "Association"; and

2. The "Association's" ongoing ordinary operating expenses incurred, excluding "Ordinary Payroll".

F. "Collapse"

Within respect to a building or structure:

1. "Collapse" means an abrupt falling down or caving in of a building or structure or any part of a building or structure with the result that the building or structure or a part thereof cannot be occupied for its intended purpose.
2. A building or structure or any part thereof that is in danger of falling down or caving in is not considered or deemed to be in a state of "Collapse".
3. A part of a building or structure that is standing is not considered to be in a state of "Collapse", even if it has separated from another part of the building.
4. A building or structure or part thereof that is standing is not considered to be in a state of "Collapse" even if it shows evidence of cracking, bulging, sagging, bending, leaning, shrinkage or expansion.

G. "Company" means the insurer providing the coverage afforded under this Coverage Form.

H. "Debris Removal" means any expense incurred to remove debris from the premises described in the **Property Insurance Coverage Declarations** and which is the result of a Covered Cause of Loss to Covered Property during the policy period.

I. "Electronic Data Processing Equipment" means any data processing system while located at the premises described in the **Property Insurance Coverage Declarations** and includes any:

1. Equipment component parts;
2. Related peripheral equipment component parts; and
3. Related peripheral equipment including air conditioning and fire protective equipment used solely for data processing "Operations".

This definition does not include:

- a. Equipment held for sale or distribution;
- b. Laptop or handheld "Electronic Data Processing Equipment".

J. "Electronic Data Processing Media" means:

1. Punch cards, tapes, disc, drums cells, CD-ROMs, hard or floppy discs, and flash drives;
2. Any other magnetic recording or storage devices including the information recorded on the media while located at the premises described in the **Property Insurance Coverage Declarations**; and
3. The original source material used to enter data and/or program.

K. "Extra Expense" means any necessary expenses the "Association" incurs during the Policy Period in an attempt to continue "Operations", and which are above the expenses that the "Association" would have incurred had there been no direct physical loss or damage to Covered Property by a Covered Cause of Loss.

L. "Fine Arts" means paintings, sculptures, etchings, statues, drawings, numbered lithographs, ceramics, and other bona fide items of artistic merit while located, for primarily aesthetic purposes, at the premises described in the **Property Insurance Coverage Declarations**.

M. "Fire Department Service Charges" means:

1. Charges the "Association" assumes by contract or agreement with a fire department or fire protection district prior to loss or damage; or
2. Charges the "Association" is required to pay by local ordinance if the fire department is called to protect or save the "Association's" Covered Property from a Covered Cause of Loss.

N. "Fungus" means any type or form of "Fungus", including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.

O. "Insured" means "Association".

P. "Loss Preparation Removal" means the reasonable cost of removing Covered Property from the premises described in the **Property Insurance Coverage Declarations** to another premise, during the time the Policy is in force, in order to prevent or safeguard the Covered Property from loss or damage from an imminent Covered Cause of Loss.

Q. "Operations" means the usual and customary business activities of the "Association" occurring at the premises described in the **Property Insurance Coverage Declarations** prior to the loss or damage.

R. "Ordinary Payroll" means payroll expenses for all employees of the "Association" except officers, board members, directors, property managers, and employees under contract. "Ordinary Payroll" includes payroll, employee benefits, if directly related to payroll, FICA payments, union dues; and workers' compensation premiums.

S. "Period of Restoration" means the period of time that begins with:

1. The inception of the direct physical loss or damage at the described premises; or
2. The date "Operations" would have begun if the direct physical loss or damage had not occurred, when loss or damage to any of the following delays the start of the "Operations" of:
 - a. New buildings whether complete or under construction;
 - b. Alteration or additions to existing buildings; or
 - c. Covered machinery, equipment, supplies or building materials used in the construction, alteration or additions.

"Period of Restoration" may continue until the "Operations" are returned to the condition that existed prior to the direct physical loss or damage including:

- (1) Repairing, rebuilding or replacing the property at a premises stated in the **Property Insurance Coverage Declarations**;
- (2) Time required to repair or reconstruct the lost or damaged property to comply with the minimum standards of any law that:
 - (a) Regulates the construction or repair on any property;
 - (b) Requires the tearing down of parts of any property not damaged by a Covered Cause of Loss;
 - (c) In force at the time of loss; and
 - (d) Even after this insurance is terminated.

T. "Personal Property of Others Including Employees" means personal property that is in the care, custody or control of the "Association", but is not owned by the "Association".

U. "Personal Property at Another Location" means personal property owned by the "Association" that is located at any premises not described in the **Property Insurance Coverage Declarations**.

V. "Pollutant" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste, including waste materials to be recycled, reconditioned or reclaimed.

W. "Pollutant Clean Up And Removal" means the "Association's" expense to extract "Pollutants" from land or water at the premises described in the **Property Insurance Coverage Declarations** due the discharge, dispersal, dissemination, seepage, migration, release or escape of "Pollutants" caused by or resulting from loss or damage to Covered Property from a Covered Cause of Loss that occurs during the policy period.

X. "Rent" means sum of:

1. Income from leases the cooperative corporation obtains from its shareholders and members from the premises described in the **Property Insurance Coverage Declarations**; or
2. Income from that part of the "Association's" premises, other than units, houses, or townhouses, rented to others on occasion for any time period basis.

Y. "Replacement Cost" means the full cost to repair or replace lost or damaged property with like kind and quality, but not more than is necessary to repair or replace the property at the same premises for the same use or occupancy. Under a "Replacement Cost" valuation there is no deduction for physical depreciation.

Z. "Vacant Building" means:

1. A building which does not include sufficient business personal property to conduct customary "Operations".
2. A building in which the owners of less than 25% of the total number of homes, units, or townhouses in the building are occupied;
3. No closings are completed for units or apartments sold in the building or leased to persons or entities other than to or by the developer of the "Association".
4. Currently constructed or renovated buildings, unless the only work remaining to be completed is punch list items and the requirements of paragraph 2. of this definition are met.

AA. "Valuable Papers" means "Valuable Papers", records, negatives, transparencies, tapes, proprietary information, books of account, deeds, manuscripts, abstracts, drawings and card index systems.

"Valuable Papers" does not mean:

1. Electronic Data Processing Media; or
2. Money and securities except as otherwise provided.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

PROPERTY INSURANCE COVERAGE FORM

In consideration of the premium charged, it is agreed that:

1. Section VI. **DEFINITIONS**, subsection Z. is deleted in its entirety and replaced by the following:

Z. "Vacant Building" means:

1. A building which does not include sufficient business personal property to conduct customary "Operations";
2. A building in which the owners of less than 25% of the total number of homes, units, or townhouses in the building are occupied;
3. No closings are completed for units or apartments sold in the building or leased to persons or entities other than to or by the developer of the "Association"; or
4. Currently constructed or renovated buildings, unless the only work remaining to be completed is punch list items and the requirements of paragraph 2. of this definition are met.

Provided that "Vacant Buildings" shall not mean any building unless it has been vacant or unoccupied for a period of sixty (60) days or more.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VACANT UNIT DEDUCTIBLE

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

PROPERTY INSURANCE COVERAGE FORM

The following information is required only when this endorsement is issued subsequent to preparation of the policy.

Named Insured	Effective Date	Endorsement Number	Policy Number
North End Condominium Association	10/06/16		CISACP001030-01

If a "Vacant Unit" sustains loss or damage by a Covered Cause of Loss, a \$5,000 Building deductible will apply unless there is a larger deductible that applies to the same loss.

A "Vacant Unit" means:

- 1) A unit for which title has not transferred from the developer to the Unit Owner; or
- 2) A unit that has not been occupied for more than 60 consecutive days.

It is further agreed that if, at the time of a loss or damage, there is other valid and collectible insurance in the name of the owner of the vacant unit, the insurance afforded by the Association's policy shall apply only as excess insurance and not contributing with such other insurance.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WATER PERILS DEDUCTIBLE ENDORSEMENT

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

PROPERTY INSURANCE COVERAGE FORM

The following information is required only when this endorsement is issued subsequent to preparation of the policy.

Named Insured North End Condominium Association	Effective Date 10/06/16	Endorsement Number	Policy Number CISACP001030-01
-------------------------------------------------------	----------------------------	--------------------	----------------------------------

It is understood and agreed that a \$ 5,000 per occurrence deductible applies for the perils indicated with an "X" below:

WATER CASUES OF LOSS

- ☒ "Pipe Breakage" means – Loss or damage caused by leakage or discharge of water from within any part of the plumbing, air condition or heating systems, water heater or appliances.
- ☒ "Surface Water" means – Seepage, leakage or influx of surface water or backing up of sewers into the building.
- ☒ "Rain" means – Rain whether driven by wind or not. The Company will not pay for loss or damage cause by rain unless the building structure first sustains damage by covered perils.
- ☒ "Back up of Sewer and Drains" means – Loss or damage caused by water which backs up through sewers or drains or which overflows from sump.
- ☒ "Ice Damming" means – Loss or damage caused by water leakage or seepage from ice building up on the roof.
- ☒ "Sprinkler Leakage" means – Leakage or discharge of any substance from an automatic sprinkler system, including collapse of a tank that is part of the system or leakage from any fire protective or extinguishing system.
- ☐ "Basement Water" means – Water in the premises basement caused by:
 - back up of sewers or drains;
 - seepage
 - discharge of water of other substance from within any part of plumbing, air conditioning or heating systems of the premises

"Basement Water" does not mean:

 - water or other substance discharge from within any part of the fire protective equipment of the premises; or
 - water damage arising as a result of fire.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED

Aspen American Insurance Company

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE SCHEDULE

This endorsement provides supplementary information to be used with the following as shown in the Schedule:

PROPERTY INSURANCE COVERAGE FORM

Equipment Breakdown Coverage is subject to the Limits of Insurance shown in the Declarations except as specifically shown below. These coverages apply to all locations covered on the policy, unless otherwise specified.

Coverages	Limits
*****	*****
Equipment Breakdown Limit	\$ 5,997,288
Business Income	\$ Included
Extra Expense	\$ Combined with Business Income
Expediting Expenses	\$ 250,000.
Hazardous Substances	\$ 250,000.
Spoilage	\$ 250,000.
Data Restoration	\$ 250,000.
Water Damage	\$ 250,000.
Service Interruption	\$ Combined with Business Income, Extra Expense and Spoilage.
Fungus, Wet Rot, Dry Rot and Bacteria	\$ 15,000.

Deductibles	
*****	*****
Combined, All Coverages	\$
Direct Coverages	\$ 1,000
Indirect Coverages	\$ or _____ hrs. or _____ times ADV
Spoilage	\$ or ____ % of loss, \$ ____ minimum

Other Conditions	
*****	*****

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EQUIPMENT BREAKDOWN COVERAGE

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

PROPERTY INSURANCE COVERAGE FORM

A. The following is added to **E. Additional Coverages**:

Equipment Breakdown

The term Covered Cause of Loss includes the Additional Coverage Equipment Breakdown as described and limited below.

1. The "Company" will pay for direct physical damage to Covered Property that is the direct result of an "Accident." As used in this Additional Coverage, "Accident" means a fortuitous event that causes direct physical damage to "Covered Equipment." The event must be one of the following:

- a. Mechanical breakdown, including rupture or bursting caused by centrifugal force;
- b. Artificially generated electrical current, including electric arcing, that disturbs electrical devices, appliances or wires;
- c. Explosion of steam boilers, steam pipes, steam engines or steam turbines owned or leased by the "Association", or operated under the "Association's" control;
- d. Loss or damage to steam boilers, steam pipes, steam engines or steam turbines caused by or resulting from any condition or event inside such equipment; or
- e. Loss or damage to hot water boilers or other water heating equipment caused by or resulting from any condition or event inside such boilers or equipment.

2. Unless otherwise shown in the **Community Property Equipment Breakdown Schedule**, the following coverages also apply to the direct result of an "Accident." These coverages do not provide additional amounts of insurance.

- a. **Expediting Expenses**

With respect to the "Association's" damaged Covered Property, the "Company" will pay the reasonable extra cost to:

- (1) Make temporary repairs; and
- (2) Expedite permanent repairs or permanent replacement.

The most the "Company" will pay for loss or expense under this coverage is \$250,000 unless otherwise shown in the **Community Property Equipment Breakdown Schedule**.

- b. **Hazardous Substances**

The "Company" will pay the "Association's" additional cost to repair or replace Covered Property because of contamination by a "hazardous substance." This includes the additional expenses to clean up or dispose of such property.

This does not include contamination of "Perishable Goods" by refrigerant, including but not limited to ammonia, which is addressed in **2.c.(1)(b)** below. As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "Hazardous Substance" been involved.

The most the "Company" will pay for loss, damage or expense under this coverage, including actual loss of "Business Income" the "Association" sustains and necessary "Extra Expense" the "Association" incurs, if shown as covered, is \$250,000 unless otherwise shown in the **Community Property Equipment Breakdown Schedule**.

c. Spoilage

- (1) The "Company" will pay:
- (a) For physical damage to "Perishable Goods" due to spoilage;
 - (b) For physical damage to "Perishable Goods" due to contamination from the release of refrigerant, including but not limited to ammonia;
 - (c) Any necessary expenses the "Association" incurs to reduce the amount of loss under this coverage to the extent that the "Association" does not exceed the amount of loss that otherwise would have been payable under this coverage.
- (2) If the "Association" is unable to replace the "Perishable Goods" before its anticipated sale, the amount of the "Company's" payment will be determined on the basis of the sales price of the "Perishable Goods" at the time of the "Accident," less discounts and expenses the "Association" otherwise would have had. Otherwise the "Company" payment will be determined in accordance with the Valuation condition.
- The most the "Company" will pay for loss, damage or expense under this coverage is \$250,000 unless otherwise shown in the **Community Property Equipment Breakdown Schedule**.

d. Data Restoration

The "Company" will pay for the "Association's" reasonable and necessary cost to research, replace and restore lost "Data."

The most the "Company" will pay for loss or expense under this coverage, including actual loss of "Business Income" the "Association" sustains and necessary "Extra Expense" the "Association" incurs, if shown as covered, is \$250,000 unless otherwise shown in the **Community Property Equipment Breakdown Schedule**.

e. Water Damage

The "Company" will pay for loss or damage caused by water as a result of an "Accident" to covered refrigerating or air conditioning vessels and piping.

The most the "Company" will pay for loss or damage under this coverage, including salvage expense, actual loss of "Business Income" the "Association" sustain and necessary "Extra Expense" the "Association" incur, if shown as covered, and loss under spoilage coverage, is \$250,000 unless otherwise shown in the **Community Property Equipment Breakdown Schedule**.

f. Service Interruption

(1) Any insurance provided for "Business Income", "Extra Expense" or Spoilage is extended to apply to the "Association's" loss, damage or expense caused by the interruption of utility services. The interruption must result from an "Accident" to equipment, including overhead transmission lines, that is owned by a utility, landlord, a landlord's utility or other supplier who provides the "Association" with any of the following services: electrical power, waste disposal, air conditioning, refrigeration, heating, natural gas, compressed air, water, steam, internet access, telecommunications services, wide area networks or data transmission. The equipment must meet the definition of "Covered Equipment" except that it is not Covered Property.

(2) Unless otherwise shown in the **Community Property Equipment Breakdown Schedule**, Service Interruption coverage will not apply unless the failure or

disruption of service exceeds 24 hours immediately following the "Accident." If the interruption exceeds 24 hours, coverage will begin at the time of the interruption, and the applicable deductible will apply.

- (3) The most the "Company" will pay in any "One Accident" for loss, damage or expense under this coverage is the applicable limit for "Business Income", "Extra Expense" or Spoilage, except that if a limit is shown in the **Community Property Equipment Breakdown Schedule** for Service Interruption, that limit will apply to "Business Income" and "Extra Expense" loss under this coverage.

g. **"Fungus," Wet Rot, Dry Rot And Bacteria**

(1) The "Company" will pay the "Association's" additional cost to repair or replace Covered Property because of contamination by "Fungus," wet rot, dry rot or bacteria resulting from an "Accident." This includes the additional costs to clean up or dispose of such property. This does not include spoilage of personal property that is "Perishable Goods" to the extent that such spoilage is covered under Spoilage coverage.

(2) As used in this coverage, additional costs mean those beyond what would have been payable under this Equipment Breakdown Coverage had no "fungus," wet rot, dry rot or bacteria been involved.

(3) The "Company" will also pay the cost of testing performed after repair or replacement of the damaged Covered Property is completed only to the extent that there is reason to believe there is the presence of "fungus," wet rot, dry rot or bacteria.

(4) This coverage does not apply to lawns, trees, shrubs or plants which are part of a vegetated roof.

(5) The most the "Company" will pay in any "one accident" for loss, damage or expense under this coverage, including actual loss of "Business Income" the "Association" sustains and necessary "Extra Expense" the "Association" incurs, if shown as covered, is \$15,000 unless otherwise shown in the **Community Property Equipment Breakdown Schedule** even if the "Fungus," wet rot, dry rot or bacteria continues to be present or active or recurs in a later policy period.

h. **"Business Income" and "Extra Expense"**

Any insurance provided under the coverage part for "Business Income" or "Extra Expense" is extended to the coverage provided by this endorsement. However, if a deductible is shown in the **Community Property Equipment Breakdown Schedule**, then as respects Equipment Breakdown coverage, the "Period of Restoration" will begin immediately after the "Accident," and the deductible shown in the **Community Property Equipment Breakdown Schedule** will apply. The most the "Company" will pay for loss or expense under this coverage is the applicable limit for "Business Income" and "Extra Expense," unless otherwise shown in the **Community Property Equipment Breakdown Schedule**.

3. **EXCLUSIONS**

All exclusions in the applicable Association and Community Excellence Program Property Insurance Coverage Form apply except as modified below and to the extent that coverage is specifically provided by this endorsement.

a. The following exclusions are modified:

- (1) As respects this endorsement only, the last sentence of **Exclusion I.G.6. Wear and Tear, Exclusion I.G.7. Planning, Design, Material or Maintenance, Exclusion I.G.9. Insects or Vermin, Exclusion I.G.13. Settling** is deleted and replaced with the following:
However, if an "Accident" results, the "Company" will pay for the resulting loss, damage or expense caused by that "Accident."

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- (2) The following is added to **Exclusion I.G.11. Water Damage.**:
However, if electrical "Covered Equipment" requires drying out because of Water, the "Company" will pay for the direct expenses of such drying out subject to the applicable Limit of Insurance and deductible for Building or Business Personal Property, whichever applies.

b. The following exclusions are added:

- (1) The "Company" will not pay for loss, damage or expense caused by or resulting from:
- (a) The "Association's" failure to use all reasonable means to protect Covered Property from damage following an "Accident";
 - (b) A hydrostatic, pneumatic or gas pressure test of any boiler or pressure vessel, or an electrical insulation breakdown test of any type of electrical equipment; or
 - (c) Any of the following:
 - (i) Defect, programming error, programming limitation, computer virus, malicious code, loss of "Data," loss of access, loss of use, loss of functionality or other condition within or involving "Data" or "Media" of any kind; or
 - (ii) Misalignment, miscalibration, tripping off-line, or any condition which can be corrected by resetting, tightening, adjusting or cleaning, or by the performance of maintenance.

However, if an "Accident" results, the "Company" will pay for the resulting loss, damage or expense caused by that "Accident."
- (2) With respect to Service Interruption coverage, the "Company" will also not pay for an "Accident" caused by or resulting from: fire; lightning; windstorm or hail; explosion (except as specifically provided in **A.1.c.** above); smoke; aircraft or vehicles; riot or civil commotion; vandalism; sprinkler leakage; falling objects; weight of snow, ice or sleet; freezing; collapse; flood or earth movement.
- (3) With respect to "Business Income", "Extra Expense" and Service Interruption coverages, the "Company" will also not pay for:
- (a) Loss caused by the "Association's" failure to use due diligence and dispatch and all reasonable means to resume business; or
 - (b) Any increase in loss resulting from an agreement between the "Association" and the "Association's" customer or supplier.
- (4) Except as specifically provided under A.2.g. "Fungus," Wet Rot, Dry Rot And Bacteria coverage, the "Company" will not pay for loss, damage or expense caused directly or indirectly by the following, whether or not caused by or resulting from an "Accident": Any "Fungus," wet rot, dry rot or bacteria, including any presence, growth, proliferation, spread or any activity of "Fungus," wet rot, dry rot or bacteria. This includes, but is not limited to, costs arising from clean up, removal, or abatement of such "Fungus," wet rot, dry rot or bacteria. However, this exclusion does not apply to spoilage of personal property that is "Perishable Goods," to the extent that such spoilage is covered under Spoilage coverage.
- (5) The "Company" will not pay for any loss or damage to animals.

4. DEFINITIONS

The following definitions are added:

a. "Boilers and Vessels" means:

- (1) Any boiler, including attached steam, condensate and feedwater piping; and
- (2) Any fired or unfired pressure vessel subject to vacuum or internal pressure other than the static pressure of its contents.

This term does not appear elsewhere in this endorsement, but may appear in the **Community Property Equipment Breakdown Schedule**.

b. "Covered Equipment"

(1) "Covered Equipment" means, unless otherwise specified in the **Community Property Equipment Breakdown Schedule**,

Covered Property:

- (a) That generates, transmits or utilizes energy; or
- (b) Which, during normal usage, operates under vacuum or pressure, other than the weight of its contents.

"Covered Equipment" may utilize conventional design and technology or new or newly commercialized design and technology.

(2) None of the following is "Covered Equipment":

- (a) Structure, foundation, cabinet or compartment;
- (b) Insulating or refractory material;
- (c) Sewer piping, buried vessels or piping, or piping forming a part of a sprinkler or fire suppression system;
- (d) Water piping other than boiler feedwater piping, boiler condensate return piping or water piping forming a part of a refrigerating or air conditioning system;
- (e) "Vehicle" or any equipment mounted on a "Vehicle";
- (f) Satellite, spacecraft or any equipment mounted on a satellite or spacecraft;
- (g) Dragline, excavation or construction equipment; or
- (h) Equipment manufactured by you for sale.

c. "Data" means information or instructions stored in digital code capable of being processed by machinery.

d. "Hazardous Substance" means any substance that is hazardous to health or has been declared to be hazardous to health by a governmental agency.

e. "Media" means material on which "Data" is recorded, such as magnetic tapes, hard disks, optical disks or floppy disks.

f. "One Accident" means: If an initial "Accident" causes other "Accidents," all will be considered "One Accident." All "Accidents" that are the result of the same event will be considered "One Accident."

g. "Perishable Goods" means personal property maintained under controlled conditions for its preservation, and susceptible to loss or damage if the controlled conditions change.

h. "Production Machinery" means any machine or apparatus that processes or produces a product intended for eventual sale. This includes all component parts of such machine or apparatus and any other equipment used exclusively with such machine or apparatus. However, "Production Machinery" does not mean any boiler, or fired or unfired pressure vessel.

This term does not appear elsewhere in this endorsement, but may appear in the **Community Property Equipment Breakdown Schedule**.

i. "Vehicle" means, as respects this endorsement only, any machine or apparatus that is used for transportation or moves under its own power. "Vehicle" includes, but is not limited to: car, truck, bus, trailer, train, aircraft, watercraft, forklift, bulldozer, tractor or harvester.

However, any property that is stationary, permanently installed at a covered location and that receives electrical power from an external power source will not be considered a "Vehicle."

B. The **Association and Community Excellence Program Property Insurance Coverage Form** is modified as follows. The definitions stated above also apply to section **B.** of this endorsement.

1. DEDUCTIBLE

The deductible in the **Property Insurance Coverage Declarations** applies unless a separate Equipment Breakdown deductible is shown in the **Community Property Equipment Breakdown Schedule**. If a separate Equipment Breakdown deductible is shown, the following applies.

Only as regards Equipment Breakdown Coverage, provision **III. DEDUCTIBLE** is deleted and replaced with the following:

a. Deductibles for Each Coverage

- (1) Unless the **Community Property Equipment Breakdown Schedule** indicates that the "Association" deductible is combined for all coverages, multiple deductibles may apply to any "one accident."
- (2) The "Company" will not pay for loss, damage or expense under any coverage until the amount of the covered loss, damage or expense exceeds the deductible amount indicated for that coverage in the **Community Property Equipment Breakdown Schedule**. The "Company" will then pay the amount of loss, damage or expense in excess of the applicable deductible amount, subject to the applicable limit.
- (3) If deductibles vary by type of "Covered Equipment" and more than one type of "Covered Equipment" is involved in any "One Accident," only the highest deductible for each coverage will apply.

b. Direct and Indirect Coverages

- (1) Direct Coverages Deductibles and Indirect Coverages Deductibles may be indicated in the **Community Property Equipment Breakdown Schedule**.
- (2) Unless more specifically indicated in the **Community Property Equipment Breakdown Schedule**:
 - (a) Indirect Coverages Deductibles apply to "Business Income" and "Extra Expense" loss; and
 - (b) Direct Coverages Deductibles apply to all remaining loss, damage or expense covered by this endorsement.

c. Application of Deductibles

- (1) **Dollar Deductibles**
The "Company" will not pay for loss, damage or expense resulting from any "One Accident" until the amount of loss, damage or expense exceeds the applicable Deductible shown in the **Community Property Equipment Breakdown Schedule**. The "Company" will then pay the amount of loss, damage or expense in excess of the applicable Deductible or Deductibles, up to the applicable Limit of Insurance.
- (2) **Time Deductible**
If a time deductible is shown in the **Community Property Equipment Breakdown Schedule**, the "Company" will not be liable for any loss occurring during the specified number of hours or days immediately following the "Accident." If a time deductible is expressed in days, each day shall mean twenty-four consecutive hours.
- (3) **Multiple of Average Daily Value (ADV)**
If a deductible is expressed as a number times ADV, that amount will be calculated as follows:
The ADV (Average Daily Value) will be the "Business Income" (as defined in any "Business Income" coverage that is part of this policy) that would have been earned during the period of interruption of business had no "Accident" occurred, divided by the number of working days in that period. No reduction shall be made for the "Business Income" not being earned, or in the number of

working days, because of the "Accident" or any other scheduled or unscheduled shutdowns during the period of interruption. The ADV applies to the "Business Income" value of the entire location, whether or not the loss affects the entire location. If more than one location is included in the valuation of the loss, the ADV will be the combined value of all affected locations. For purposes of this calculation, the period of interruption may not extend beyond the "Period of Restoration." The number indicated in the **Community Property Equipment Breakdown Schedule** will be multiplied by the ADV as determined above. The result shall be used as the applicable deductible.

(4) Percentage of Loss Deductibles

If a deductible is expressed as a percentage of loss, the "Company" will not be liable for the indicated percentage of the gross amount of loss, damage or expense (prior to any applicable deductible or coinsurance) insured under the applicable coverage. If the dollar amount of such percentage is less than the indicated minimum deductible, the minimum deductible will be the applicable deductible.

2. CONDITIONS

The following conditions are in addition to the Conditions in the **Community Coverage Common Policy Conditions** and **Section V. CONDITIONS** of the **Property Insurance Coverage Form**.

a. Suspension

Whenever "Covered Equipment" is found to be in, or exposed to, a dangerous condition, any of the "Company" representatives may immediately suspend the insurance against loss from an "Accident" to that "Covered Equipment." This can be done by mailing or delivering a written notice of suspension to:

(1) The "Association's" last known address; or

(2) The address where the "Covered Equipment" is located.

Once suspended in this way, the "Association's" insurance can be reinstated only by an endorsement for that "Covered Equipment." If the "Company" suspends the "Association's" insurance, the "Association" will get a pro rata refund of premium for that "Covered Equipment" for the period of suspension. But the suspension will be effective even if we have not yet made or offered a refund.

b. Jurisdictional Inspections

If any property that is "Covered Equipment" under this endorsement requires inspection to comply with state or municipal boiler and pressure vessel regulations, the "Company" agree to perform such inspection on your behalf. The "Company" do not warrant that conditions are safe or healthful.

c. Environmental, Safety and Efficiency Improvements

If "Covered Equipment" requires replacement due to an "Accident," the "Company" will pay your additional cost to replace with equipment that is better for the environment, safer for people, or more energy or water efficient than the equipment being replaced. However, the "Company" will not pay to increase the size or capacity of the equipment and the "company" will not pay more than 150% of what the cost would have been to replace with like kind and quality. This condition does not apply to the replacement of component parts or to any property to which Actual Cash Value applies and does not increase any of the applicable limits.

d. Coinsurance

If a coinsurance percentage is shown in the **Community Property Equipment Breakdown Schedule** for specified coverages, the following condition applies.

The "Company" will not pay for the full amount of your loss if the applicable limit is less than the product of the specified coinsurance percentage times the value of the property subject to the coverage at the time of the loss. Instead, the "Company" will determine what percentage this calculated product is compared to the applicable limit and apply that percentage to the gross amount of loss. The "Company" will then subtract the applicable deductible. The resulting amount, or the applicable limit, is the most the "Company" will pay. The "Company" will not pay for the remainder of the loss. Coinsurance applies separately to each insured location.

The most the "Company" will pay for loss, damage or expense under this endorsement arising from any "One Accident" is the applicable Limit of Insurance in the Declarations unless otherwise shown in the **Community Property Equipment Breakdown Schedule**. Coverage provided under this endorsement does not provide an additional amount of insurance.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EARTHQUAKE COVERAGE ENDORSEMENT

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

PROPERTY INSURANCE COVERAGE FORM

1. Exclusion **I.G.10. – Earth Movement** is deleted in its entirety and replaced by the following.

10. Earthquake

Coverage is provided for earthquake, subject to the total of all Limits of Insurance stated in the **Property Insurance Coverage Declarations** or \$1,000,000, whichever is less, and subject to an annual aggregate limit of \$1,000,000. The coverage for earthquake in this Coverage Part is subject to a separate deductible of \$50,000 per claim.

For purposes of this endorsement:

- a. "Earthquake" means earth movement other than normal settling, subsidence, mud slide, mud flow and sink hole, as well as "Volcanic Action" and landslide.
- b. "Volcanic Action" means direct physical loss or damage resulting from the eruption, effusion, or explosion of a volcano when the loss or damage is caused by:
 - (1) Airborne volcanic blast or airborne shock waves;
 - (2) Ash, dust or particulate matter from a volcanic action; or
 - (3) Lava flow.
- c. "Earthquake" coverage includes all damage or loss resulting from seismic or volcanic activity within a single 72 hour period from when the first loss or damage to the insured property occurs. This coverage does not encompass costs to remove or clean ash, dust or particulate matter from any insured building, structure, or premises that do not sustain direct physical loss or damage as a result of an earthquake.

Any loss or claim for "Business Income", or "Extra Expense", or Ordinance or Law coverage directly or indirectly caused by or resulting from earthquake, is included with the limits of Insurance provided by the **Property Insurance Coverage Form**.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

FLOOD COVERAGE ENDORSEMENT

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

PROPERTY INSURANCE COVERAGE FORM

1. Exclusion I.G.11. – **Water Damage** is deleted in its entirety and replaced by the following.

This Coverage Form includes coverage for "Flood", subject to the total of all Limits of Insurance stated in the **Property Insurance Coverage Declarations** or \$1,000,000, whichever is less, and subject to an annual aggregate limit of \$1,000,000. The coverage for "Flood" in this Policy is subject to a separate deductible of \$50,000 per claim. This endorsement only applies to Building coverage.

For purposes of this Coverage Form:

- a. "Flood" shall mean the rising, outflow, and/or overflow of water from a water course or body of water (natural and/or man-made), including but not limited to waves, tidal water, tidal waves or spray from any of these, regardless of whether driven by wind or due to other causes.
- b. "Flood" shall not mean or include:
 - (1) Water which backs up from any sewer, drain, sump pump, or sump pump well;
 - (2) Water which leaks or escapes from a pumping system, an appliance, a fire protection system, an air conditioning system or a swimming pool;
 - (3) Water under the ground surface which presses on, flows or seeps through or otherwise penetrates foundations, walls, floors, doors or windows;
 - (4) Surface water, mudslide or mudflow; or
 - (5) Water which damages the interior of any building or structure or any personal property therein caused by or resulting from rain, snow, sleet, or ice unless:
 - (a) The building or structure first sustains damage by a Covered Cause of Loss to its roof or walls through which the rain, snow, sleet or ice enters; or
 - (b) The loss or damage is caused by or results from thawing or snow, sleet or ice on the building or structure.

Any loss or claim for "Business Income" or "Extra Expense" or Ordinance or Law coverage, directly or indirectly caused by or resulting from "Flood", is included within the Limits of Insurance provided by the Property Insurance Coverage Form.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

**FIDELITY INSURANCE COVERAGE FORM
PROPERTY INSURANCE COVERAGE FORM**

SCHEDULE

The Exception Covering Certain Fire Losses (Paragraph **C**) applies to property located in the following state(s), if covered under the indicated Coverage Form, Coverage Part or Policy:

State(s)	Coverage Form, Coverage Part Or Policy
Illinois	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. The following definition is added with respect to the provisions of this endorsement:

"Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

B. The following exclusion is added:

CERTIFIED ACT OF TERRORISM EXCLUSION

The Company will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

C. Exception Covering Certain Fire Losses

The following exception to the exclusion in Paragraph **B** applies only if indicated and as indicated in the Schedule of this endorsement.

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If a "certified act of terrorism" results in fire, the Company will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form or the Leasehold Interest Coverage Form.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and the Company have met the Company's insurer deductible under the Terrorism Risk Insurance Act, the Company shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

D. Application of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Form, Coverage Part or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

PROPERTY INSURANCE COVERAGE FORM

SCHEDULE

The Exception Covering Certain Fire Losses applies to property located in the following state(s), if covered under the indicated Coverage Form(s):

<u>State(s)</u>
IL
Information required to complete this Schedule, if not shown above, will be shown in the Declarations for this Policy.

In consideration of the premium charged, it is agreed that:

A. The following exclusion is added:

NUCLEAR, BIOLOGICAL, CHEMICAL, OR RADIOLOGICAL TERRORISM

No coverage will be available under this insurance for any loss, cost, damage, expense, injury, claim or suit, caused by, arising out of, or resulting directly or indirectly, in whole or in part from any act of "Nuclear, Biological, Chemical, or Radiological Terrorism", regardless of any other cause or event that contributes concurrently or in any other sequence to the act of "Nuclear, Biological, Chemical, or Radiological Terrorism".

B. EXCEPTION COVERING CERTAIN FIRE LOSSES

The following exception to the "Nuclear, Biological, Chemical or Radiological Terrorism" exclusion applies only if indicated and as indicated in the Schedule set forth above.

If a "Nuclear, Biological, Chemical or Radiological Terrorism" results in fire, we will pay for the loss or damage caused by that fire, subject to all applicable policy provisions including the Limits of Liability on the affected property. Such coverage for fire applies only to direct loss or damage by fire to covered property.

C. APPLICATION OF OTHER EXCLUSIONS

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss or damage which would otherwise be excluded under any applicable Coverage Form or policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

D. For the purpose of this Endorsement the following Definitions are added to the policy:

"Biological Agent" means any pathogenic (disease producing) micro-organism(s) and/or biological produced toxin(s), including genetically modified organisms and chemically synthesized toxin(s) which caused illness, damage, injury or death in humans, animals, or plants.

"Chemical Agent" means any compound which, when disseminated, produces incapacitating illness, or damaging and/or lethal effects on people, animals, plants, or property.

"Nuclear, Biological, Chemical, or Radiological Terrorism" means the:

1. Dispersal, application, or release of radioactive material;
2. Use of any nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination; or
3. Emission, discharge, dispersal, release, or escape of any solid, liquid or gaseous "Biological Agent" and/or "Chemical Agent";

by any person or group(s) of persons, whether acting alone, or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



COMMERCIAL GENERAL LIABILITY COVERAGE DECLARATIONS

Insurance applies only to those Coverages for which a Limit of Insurance is shown below. The audit term is annual unless otherwise indicated.

Named Insured: North End Condominium Association

Policy Number: CISACP001030-01

Premises: 7528-36 N Ridge Blvd
Chicago, IL 60645

Effective Date, 12:01 a.m. CST: 10/06/16

Expiration Date, 12:01 a.m. CST: 10/06/17

Coverage:

Limits of Insurance:

Commercial General Liability

Each Occurrence/Offense Limit

\$ 1,000,000

Damage To Premises Rented To Association – Any one premises

\$ 500,000

Medical Expense Limit – Any One Person

\$ 5,000

Personal & Advertising Injury Limit – Any one Person or Organization

\$ 1,000,000

General Aggregate Limit

\$ 3,000,000

Products/Completed Operations Aggregate Limit

\$ 1,000,000

Non-Owned and Hired Auto Liability

\$

Uninsured Motorist Coverage

\$

Underinsured Motorist Coverage

\$

Garagekeepers Legal Liability

\$

Forms issued at inception of this coverage:

Authorized Representative



Association and Community Excellence Program

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this Coverage Form restrict coverage. Read the Coverage Form carefully to determine rights, duties and what is and is not covered.

Any person or organization qualifying for coverage is described under Section II. – **WHO IS AN INSURED**. Other words and phrases that appear in quotations have special meaning, as detailed under Section V. – **DEFINITIONS**.

I. COVERAGES

A. Insuring Agreement

The "Company" will pay those "Damages" an insured is legally obligated to pay by reason of liability imposed by law because of "Bodily Injury" or "Property Damage" caused by an "Occurrence" or as the result of a "Personal Injury" or "Advertising Injury" caused by an offense to which this insurance applies.

This insurance applies only if:

1. The "Bodily Injury" or "Property Damage" occurs in the coverage territory during the policy period;
2. The "Personal Injury" or "Advertising Injury" is caused by an offense committed in the coverage territory during the policy period by an insured conducting the business of or on behalf of the "Association"; and
3. Prior to the policy period no insured listed under Paragraphs **A., B., C., and D.** of Section II - **Who Is An Insured**, and no employee authorized by the "Association" to give or receive notice of an "Occurrence" or "Claim", or the "Association's" current or prior property manager or its employees, knew that the "Bodily Injury" or "Property Damage" had occurred, or "Personal Injury" or "Advertising Injury" was committed, in whole or in part.

If such a listed insured, employee, current or prior property manager, or authorized employee knew, prior to the policy period, that the "Bodily Injury" or "Property Damage" had occurred, or "Personal Injury" or "Advertising Injury" was committed, then any continuation, change or resumption of such "Bodily Injury", "Property Damage", "Personal Injury", or "Advertising Injury" during or after the policy period will be deemed to have been known prior to the policy period.

"Bodily Injury" or "Property Damage" which occurs, or "Personal Injury" or "Advertising Injury" which is committed during the policy period and was not, prior to the policy period, known to have occurred or committed by any insured listed under Paragraphs **A., B., C., or D.** of Section II - **Who Is An Insured**, or any employee authorized by the "Association" to give or receive notice of an "Occurrence" or "Claim", or by the "Association's" current or prior property manager or its employee, includes any continuation, change or resumption of that "Bodily Injury", "Property Damage", "Personal Injury", or "Advertising Injury" after the end of the policy period.

"Bodily Injury", "Property Damage", "Personal Injury", or "Advertising Injury" will be deemed to have been known to have occurred or committed at the earliest time when any insured listed under Paragraphs **A., B., C., or D.** of Section II - **Who Is An Insured** or any employee authorized by the "Association" to give or receive notice of an "Occurrence" or "Claim", or the "Association's" current or prior property manager or its employee:

- a. Reports all or any part, of the "Bodily Injury", "Property Damage", "Personal Injury", or "Advertising Injury" to the "Company" or any other insurer;
- b. Receives a written or verbal demand or "Claim" for "Damages" because of the "Bodily Injury", "Property Damage", "Personal Injury", or "Advertising Injury"; or
- c. Becomes aware by any other means that "Bodily Injury" or "Property Damage" occurred or has begun to occur, or "Personal Injury" or "Advertising Injury" has been committed or has begun to be committed.

B. Defense of Claims

1. The "Company" will provide defense for an insured against any "Claim" seeking "Damages" to which this Coverage Part applies. The "Company" will pay for the "Defense Expense" in addition to the applicable limit of insurance. The "Company's" obligation to defend and pay for "Defense Expense" is limited as described hereunder.
2. The "Company" has no obligation under this insurance to make payments or to perform acts or services except as provided in this Coverage Form.

When the "Company's" limit of insurance is exhausted by payment of a judgment or by settlement to which the "Company" agreed in writing, on the insured's behalf, the "Company's" defense obligation ends.

3. The "Company" has no obligation to defend any "Claim" or to perform other acts or services under this Coverage Form until the "Company" has received written notice of a "Claim" to which this Coverage Part applies.
4. The "Company" may investigate, defend, and settle any "Claim" at the "Company's" sole discretion. The "Company" will pay, with respect to any "Claim" the "Company" investigates, defends or settles:
 - a. All expenses the "Company" incurs;
 - b. No more than \$250 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the "Bodily Injury" liability coverage applies. The "Company" does not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. However, the "Company" has no obligation to furnish these bonds.
 - d. All reasonable expenses incurred by an insured at the "Company's" request during the process of assisting the Company in the investigation or defense of the "Claim", including actual loss of earnings up to \$250 a day because of time off from work.
 - e. All court costs taxed against the insured in the "Claim". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against an insured on that part of the judgment the "Company" pays. If the "Company" makes an offer to pay the applicable limit of insurance, the "Company" will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any costs and judgment that accrue after entry of the judgment, but the "Company's" duty to pay interest ends when the "Company" has paid, offered to pay, or deposited in court the costs awarded and that part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

5. If an indemnitee of the insured is named as a party to "Claim" against the insured that the "Company" is defending, the "Company" will defend that indemnitee only if each of the following conditions are met:
 - a. The "Claim" against the indemnitee seeks "Damages" for which that insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by that insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by that insured in the same "insured contract";
 - d. The allegations in the "Claim" and the information the "Company" knows about the "Occurrence" are such that no conflict appears to exist between the interests of that insured and the interests of the indemnitee;
 - e. The indemnitee and that insured ask the "Company" in writing to conduct and control the defense of that indemnitee against such "Claim" and agree that the "Company" can assign the same counsel to defend that insured and the indemnitee; and
 - f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with the "Company" in the investigation, settlement or defense of the "Claim";
 - (b) Immediately send the "Company" copies of any demands, notices, summonses or legal papers received in connection with the "Claim";
 - (c) Notify and maintain a tender to any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with the "Company" with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides the "Company" with written authorization to:
 - (a) Obtain records and other information related to the "Claim"; and
 - (b) Conduct and control the defense of the indemnitee in such "Claim".

So long as the above conditions are met, attorneys' fees incurred by the "Company" in the defense of that indemnitee, necessary litigation expenses incurred by the "Company", and necessary litigation expenses incurred by the indemnitee at the "Company's" request will be paid as Defense of "Claims". Such payments will not be deemed to be "Damages" for "Bodily Injury" and "Property Damage" and will not reduce the limits of insurance.

The "Company's" obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Defense Of "Claims" begins only upon receipt by the "Company" of written notice from the insured's indemnitee requesting the "Company's" defense of a "Claim" to which this coverage applies and ends when the "Company" has used up the applicable limit of insurance in the payment on behalf of an insured or indemnitee of any judgment or settlement or the conditions set forth above, or the terms of the agreement described in paragraph 5.f. above, are no longer met.

C. Exclusions

This insurance does not apply to:

1. Expected or Intended Injury

"Bodily Injury" or "Property Damage" expected or intended from the standpoint of any insured. But this exclusion does not apply to "Bodily Injury" resulting from the use of reasonable force to protect persons or property.

2. Contractual Liability

"Bodily Injury" or "Property Damage" for which an insured is legally obligated to pay "Damages" due to the assumption of liability in a contract or agreement. This exclusion does not apply to liability for bodily injury or "Property Damage":

- a. Assumed in a written contract or agreement that is an "insured contract", provided the "Bodily Injury" or "Property Damage" occur after the execution of the contract or agreement; or
- b. That an insured would have in the absence of the contract or agreement.

3. Workers' Compensation and Similar Laws

Any obligation of an insured under any workers' compensation, unemployment compensation, disability benefits compensation law or any similar law.

4. Employer's Liability

"Bodily Injury" to:

- a. An employee of an insured arising out of and in the course of employment by the employing insured; or
- b. The spouse, child, parent, sibling or heir of that employee as a consequence of "a." above.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share "Damages" with or repay someone else who must pay "Damages" because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

5. Liquor Liability

"Bodily Injury" or "Property Damage" that any insured, which is engaged, in whole or in part, in the business of manufacturing, distributing, selling, serving, or furnishing alcoholic beverages or which leases premises at which alcoholic beverages are regularly manufactured, distributed, sold, served, or furnished, may be held liable by reason of:

- a. Causing or contributing to the intoxication of any person;
- b. The furnishing of an alcoholic beverage to a person under the legal drinking age or under the influence of alcohol; or

- c. Any statute, ordinance or regulation relating to the sale, gift, distribution, or use of alcoholic beverages.

6. Employment-related Practices

“Bodily Injury”, “Personal Injury”, or “Advertising Injury”:

- a. To a person as a result of:
 - (1) Refusal to employ that person;
 - (2) Termination of that person’s employment; or
 - (3) Employment-related practices, policies, acts or omissions, including but not limited to coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, or discrimination directed at that person; or
- b. To the spouse, child, parent, sibling, or heir of that person as a consequence of any “Bodily Injury”, “Personal Injury”, or “Advertising Injury” to that person at whom the employment-related practices described in paragraphs a.(1), (2), or (3) above is directed.

This exclusion applies:

- (a) Whether the injury-causing event described in paragraphs a.(1) – (3) above occurs before employment, during employment or after employment of that person;
- (b) Whether an insured may be liable as an employer or in any other capacity; and
- (c) To any obligation to share “Damages” with or to repay someone else who must pay “Damages” because of the injury.

7. Fungi Or Bacteria

- a. “Bodily Injury”, “Property Damage”, or “Personal Injury” caused by, resulting from, or consisting of, in whole or in part, the actual, alleged, or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any “fungi” or bacteria on or within the premises described in the Declarations or on or within a building or structure on said premises, including its contents, regardless of whether any other cause, physical or mental condition, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses caused by, resulting from, or consisting of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of “fungi” or bacteria by any insured or by any other person or entity.

This exclusion does not apply to any “fungi” or bacteria that are on or are contained in a good or product intended for bodily consumption.

8. Pollution

- a. “Bodily Injury”, “Property Damage”, or “Personal Injury” caused by, resulting from, or consisting of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release, or escape of “Pollutants”.
- b. The actual alleged or threatened discharge, dispersal, seepage, migration, release, or escape of “Pollutants” can take place indoors or outside of buildings or structures:
 - (1) At or from the premises, site or location which is or was at any time owned or occupied by, or rented or loaned to an insured. This sub-paragraph does not apply to “Bodily Injury” if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or

equipment that is used to heat water for personal use, by the building's occupants or their guests;

- (2) At or from any premises, site, or location used for the handling, storage, disposal, processing or treatment of waste at any time by or for an insured or by others;
- (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for an insured or any person or organization for whom an insured may be legally responsible; or
- (4) At or from any premises, site, or location on or at which an insured or any contractor or subcontractor working directly or indirectly on behalf of an insured are performing operations:
 - (a) If the "Pollutants" are brought on or to the premises, site or location in connection with such operations. But this exclusion does not apply to "Bodily Injury", "Property Damage", or "Personal Injury" arising out of the dispersal, seepage, or escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "Mobile Equipment" or its parts, if such fuels, lubricants or other operating fluids disperse, seep, or escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "Bodily Injury" or "Property Damage" arises out of the intentional discharge, dispersal, or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured
 - (b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize "Pollutants".

Paragraphs a. and b. of this Exclusion do not apply to "Bodily Injury" or "Property Damage" caused by or resulting from heat, smoke or fumes from a "hostile fire" or the use of pesticides, herbicides, or swimming pool chemicals at the premises described in the **Commercial General Liability Coverage Declarations** if:

- i. The dispersal, release, discharge, seepage, migration, or escape of the pesticides, herbicides, or swimming pool chemicals from such premises happens quickly and occurs by accident or chance; and
 - ii. The use of pesticides, herbicides, or swimming pool chemicals at such premises meets all standards of statutes, ordinances, regulations and licenses requirement of any applicable federal, state or local government.
- c. Any loss, cost or expense relating to:
- (1) Any "Claim", request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "Pollutants" at any location; or
 - (2) Any "Claim", request, or "Suit" by or on behalf of a governmental authority relating in any manner to any testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "Pollutants".

9. Aircraft, Autos, or Watercraft

"Bodily Injury" or "Property Damage" caused by or resulting from the ownership, maintenance, use, or entrustment to others of any aircraft, "Auto", or watercraft owned, controlled, or operated by, rented, leased, or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if a "Claim" against an insured alleges negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by that insured, if the "Occurrence" which caused the "Bodily Injury" or "Property Damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "Auto", or watercraft that is owned, controlled, or operated by, rented, leased, or loaned to any insured.

This exclusion does not apply to:

- a. A watercraft while ashore on the premises described in the **Commercial General Liability Coverage Declarations**;
- b. A watercraft owned by the "Association" that is:
 - (1) Less than 26 feet long; and
 - (2) Not being used to carry persons or property for a charge;
- c. Parking an "Auto" on, or on the ways next to, the premises described in the **Commercial General Liability Coverage Declarations**, provided the "Auto" is not owned or controlled by, rented, leased, or loaned to the "Association";
- d. Liability assumed under an "insured contract" for the ownership, rental, leasing, maintenance or use of aircraft or watercraft; or
- e. "Bodily Injury" or "Property Damage" arising out of:
 - (1) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of mobile equipment if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
 - (2) The operation of any of the machinery or equipment listed in paragraphs H. or I. of the definition of mobile equipment.

10. Mobile Equipment

"Bodily Injury" or "Property Damage" arising out of:

- a. The transportation of "Mobile Equipment" by an "Auto" owned, controlled, or operated by, or rented, leased, or loaned to any insured; or
- b. The use of "Mobile Equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

11. War

"Bodily Injury", "Property Damage", "Personal Injury", or "Advertising Injury" however caused, arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

12. Damage to Property

"Property Damage" to:

- a. Property an insured owns, rents or leases to others, or occupies, including any costs or expenses incurred by an insured, or any other person, organization or entity, for repair, replacement, enhancement, remodeling, rehabilitation, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. Premises an insured sells, gives away or abandons, if the "Property Damage" is caused by, results from, or consists of any part of those premises;
- c. Property loaned, rented, or leased to an insured;
- d. Personal property in the care, custody or control of an insured;
- e. That particular part of real property on which an insured, or any contractors or subcontractors working directly or indirectly on an insured's behalf, is performing operations, if the "Property Damage" arises out of those operations; or
- f. That particular part of any property that must be restored, repaired or replaced because an "insured's work" was incorrectly performed on it.

Paragraphs **c.** and **d.** of this exclusion do not apply to "Property Damage" (other than damage by fire) to premises, including the contents of such premises, rented or leased to the "Association" for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To The "Association", as described in Section **III. LIMITS OF INSURANCE**.

Paragraphs **c.**, **d.**, **e.**, and **f.** of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph **f.** of this exclusion does not apply to "Property Damage" included in the products-completed operations hazard.

13. Damage to an Insured's Work

"Property Damage" to an "Insured's Work" caused by, resulting from, or consisting of it or any part of it and included in the products-completed operations hazard. This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on the "Association's" behalf by a subcontractor.

14. Damage to Impaired Property or Property Not Physically Injured

"Property Damage" to "impaired property" or property that has not been physically injured, arising out of:

- a. A defect, deficiency, inadequacy or dangerous condition in an "insured's product" or an "insured's work"; or
- b. A delay or failure by an insured or anyone acting on an insured's behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property caused by, resulting from or consisting of sudden and accidental physical injury to an "insured's product" or an "insured's work" after it has been put to its intended use.

15. Asbestos

“Bodily Injury”, “Property Damage”, “Personal Injury”, or “Advertising Injury”:

- a. Caused by, resulting from, or consisting of asbestos or any products, materials, structures, fibers or dust containing asbestos or the existence of asbestos in any place or thing in the atmosphere, in or on the land, or in any watercourse or body of water; or
- b. Any loss, cost, “Claim”, or expense caused by, resulting from, or consisting of testing for, monitoring, cleaning up, containing, removing, or treatment of or for asbestos or any products, materials, structures, fibers or dust containing asbestos.

16. Distribution of Material in Violation of Statutes

“Bodily Injury”, “Property Damage”, “Personal Injury”, or “Advertising Injury” caused by, resulting from, or consisting of, directly or indirectly, any action or omission that violates or is alleged to violate:

- a. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- b. The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- c. The Fair Credit Reporting Act of 1970 (FACTA), including any amendment of or addition to such law; or
- d. Any statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003, or FACTA that prohibits or limits the sending, transmitting, communicating, release, conveyance, publication, or distribution of material or information.
- e. EPA Regulation under 40CFR Part 745 and as amended.

17. Lead

“Bodily Injury”, “Property Damage”, “Personal Injury”, or “Advertising Injury”:

- a. Caused by, resulting from, or consisting of lead, lead compounds or materials containing lead, including but not limited to lead used, installed, stored, encapsulated, contained, removed or withdrawn from, in or on any product, material, or structure, or as a component of any product, material, or structure;
- b. Any error or omission in supervision, instruction, recommendation, notice, warning, or advice relating to lead, lead compounds or materials; or
- c. Any loss, cost, “Claim”, or expense caused by, resulting from, or consisting of testing for, monitoring, cleaning up, containing, removing, or treatment of or for consisting lead, lead compounds or materials.

18. Electronic Data

“Bodily Injury”, “Property Damage”, “Personal Injury”, or “Advertising Injury” caused by, resulting from, or consisting of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD- ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

19. Intentional Falsehoods — Prior Acts — Willful Violations

“Personal Injury” or “Advertising Injury”:

- a. Caused by or at the direction of an insured with the knowledge that the act would violate the rights of another and could inflict “Personal Injury” or “Advertising Injury”;
- b. Arising out of oral or written publication, in any manner, of material, if done by or at the direction of an insured with knowledge of its falsity;
- c. Arising out of any criminal act committed by or with the consent of an insured;
- d. Arising out of oral or written publication, in any manner, of material whose first publication took place before the beginning of the policy period;
- e. For which an insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for “Damages” that an insured would have in the absence of the contract or agreement;
- f. Arising out of a breach of contract, except an implied contract, to use another's advertising idea in the “Association's” advertisement.
- g. Arising out of the failure of goods, products, services, buildings, construction, or construction materials or workmanship to conform with any statement of quality or performance made or implied in the “Association's” advertisement; or
- h. Arising out of the unauthorized use of another's name or product in the “Association's” letterhead, advertisements, e-mail address, domain name or metatag, or any other similar tactic which may mislead another's potential customers or clientele.

20. Partnerships, Joint Ventures, Limited Liability Companies

“Bodily Injury”, “Property Damage”, “Personal Injury”, or “Advertising Injury” arising from an insured's conduct or participation as a partner or member in a past or current partnership, joint venture, or limited liability company that is not described in the **Commercial General Liability Coverage Declarations** as an insured. This exclusion applies regardless of whether a “Claim” is made against or an insured is sued in his, her, or its own name or that of the partnership, joint venture or limited liability company.

21. Professional Liability

“Bodily Injury”, “Property Damage”, “Personal Injury”, or “Advertising Injury” caused by or resulting from an insured's rendering or failure to render professional services, including but not limited to any service, treatment, advice or instruction relating to physical fitness, including service, treatment advice or instruction in connection with diet, cardio-vascular fitness, body building or physical therapy or training programs.

22. E.R.I.S.A

Any obligation of the "Association" under the Employees' Retirement Income Security Act (E.R.I.S.A.) and any amendments thereto or similar federal, state, or local statute, regulation or ordinance.

23. Nuclear

- a. Under any Liability Coverage, to "Bodily Injury" or "Property Damage":
 - (1) With respect to which an insured under the Coverage Form is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 - (2) Resulting from the "Hazardous Properties" of "Nuclear Material" and with respect to which:
 - (a) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
 - (b) The insured is, or had this Coverage Form not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. Under any Medical Payments coverage, to expenses incurred with respect to "Bodily Injury" resulting from the "Hazardous Properties" of "Nuclear Material" and arising out of the operation of a "Nuclear Facility" by any person or organization.
- c. Under any Liability Coverage, to "Bodily Injury" or "Property Damage" resulting from "Hazardous Properties" of "Nuclear Material", if:
 - (1) The "Nuclear Material"
 - (a) Is at any "Nuclear Facility" owned by, or operated by or on behalf of, an insured or
 - (b) Has been discharged or dispersed therefrom;
 - (2) The "Nuclear Material" is contained in "Spent Fuel" or "Waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or
 - (3) The "Bodily Injury" or "Property Damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "Nuclear Facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion c.(3) applies only to "Property Damage" to such "Nuclear Facility" and any property thereat.
- d. As used in this exclusion:
 - (1) "Hazardous properties" includes radioactive, toxic or explosive properties;
 - (2) "Nuclear Material" means "Source Material", "Special Nuclear Material" or "By-product Material";
 - (3) "Source Material", "Special Nuclear Material", and "By-product Material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.
 - (4) "Spent Fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "Nuclear Reactor";
 - (5) "Waste" means any waste material:

- (a) Containing "By-product Material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "Source Material" content, and
- (b) Resulting from the operation by any person or organization of any "Nuclear Facility" included under the first two paragraphs of the definition of "Nuclear Facility".

(6) "Nuclear Facility" means:

- (a) Any "Nuclear Reactor";
 - (b) Any equipment or device designed or used for:
 - i. Separating the isotopes of uranium or plutonium;
 - ii. Processing or utilizing "Spent Fuel"; or
 - iii. Handling, processing or packaging "Waste";
 - (c) Any equipment or device used for the processing, fabricating or alloying of "Special Nuclear Material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;
 - (d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "Waste"; and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;
- (7) "Nuclear Reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (8) "Property Damage" includes all forms of radioactive contamination of property.

24. "Sexual Abuse"

"Bodily Injury", "Property Damage", or "Personal Injury" caused by, resulting from, or consisting of any actual, threatened, intentional, unintentional, or alleged sexual abuse of any person. This exclusion also applies to any allegation against the "Association" or its property manager relating to any alleged incident of "sexual abuse" concerning negligent, reckless, intentional, or willful and wanton employment, investigation, supervision, training, reporting or failure to report sexual abuse to proper authorities, and retention of a person for whom the "Association" or its property manager is or ever was legally responsible.

25. Electronic Chatrooms Or Bulletin Boards

"Bodily Injury", "Property Damage", "Personal Injury", or "Advertising Injury" caused by or resulting from an electronic chatroom or bulletin board the insured hosts, owns, or controls.

The only exclusions that apply to damage caused by fire, explosion, smoke, or from leakage of fire protective equipment to any premises rented to an insured are: **1., 2., 12.a., 12.b., 12.e., 12.f., 15., 17., 20. and 22.** A separate Limit of Insurance stated in the **Commercial General Liability Coverage Declarations** applies to this coverage as described in the Section III. **LIMITS OF INSURANCE.**

D. "Medical Expense"

1. For each person who sustains "Bodily Injury" caused by an accident, the "Company" will pay, subject to the applicable Limit of Insurance stated in the **Commercial General Liability Coverage Declarations**, all medical expense incurred and reported to the "Company" within one year from the date of the accident. The accident must take place during the policy period, and the "Bodily Injury"

must be caused by or result from a condition on or immediately adjacent to the "Association's" premises or by or from the "Association's" operations for which bodily injury liability coverage is afforded under this Coverage Form. The "Company" will make these payments regardless of fault. The injured person must submit to examination, at the "Company's" expense, by physicians of the "Company's" choice as often as the "Company" reasonably requires.

2. The "Company" will not pay any medical expense for "Bodily Injury":
 - a. To any insured, except to a unit owner;
 - b. To a person hired to do work for or on behalf of any insured or a tenant of any insured;
 - c. To a person injured on that part of premises the "Association" owns or rents that the person normally occupies;
 - d. To a person, whether or not an employee of any insured, if benefits for the "Bodily Injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law;
 - e. To a person injured while practicing, instructing or participating in any physical exercises or games sports, or athletic contests;
 - f. Included within the products-completed operations hazard; or
 - g. Which would be excluded in Section C, above.

II. WHO IS AN INSURED

- A. If the Named Insured described in the Declarations is a homeowners', condominium, townhouse "Association", or a cooperative corporation, then they are an insured. Its officers and directors are also insureds, but only with respect to their duties on behalf of the "Association".
- B. If the Named Insured described in the Declarations is a homeowners', condominium, or townhouse "Association", then each individual owner of a house, unit, or town home in the "Association" is an insured, but only with respect to liability caused by or resulting from the ownership, maintenance, or repair of that portion of the premises which is not reserved for that owner's exclusive use or occupancy.
- C. If the Named Insured described in the Declarations is a cooperative corporation, then each shareholder/member of the cooperative corporation is an insured, but only with respect to liability caused by or resulting from the ownership, maintenance, or repair of that portion of the premises which is not reserved for that shareholder/member's exclusive use or occupancy.
- D. To the extent the developer of the "Association" owns one or more units in the "Association", the developer is an insured, provided that the developer shall not be deemed an insured in any broader capacity than that of any other unit owner. However, the insurance afforded with respect to the developer does not apply to any actual or potential liability of the developer for any acts or omissions as a developer of the "Association".
- E. The "Association's" employees, other than its officers and directors, but only with respect to their duties on behalf of the "Association". No employee of the "Association" is an insured for:
 1. "Bodily Injury" or "Personal Injury" to a co-employee of the "Association" incurred in the scope and course of the employee's work for the "Association";
 2. "Property Damage" to property owned by an insured; or

2. "Bodily Injury", "Personal Injury" or "Property Damage" caused by, consisting of or resulting from his or her providing or failing to provide professional health care services.
- F. Any property management agent of the "Association", and any employee of the property management agency, but only with respect to their duties on behalf of the "Association". However, no property management agent of the "Association" or employee of the property management agency is an insured for:
1. "Bodily Injury", "Personal Injury", or "Advertising Injury":
 - a. To a co-employee;
 - b. To the spouse, child, parent, sibling, or heir of that co-employee as a consequence of paragraph 1.a. above;
 - c. To the "Association" or to his/her employer, and if the employer is a partnership or joint venture, any partners or members thereof, or if the employer is a limited liability company, to any member thereof; or
 - d. For which there is any obligation to share "Damages" with or repay someone else who must pay "Damages" because of the injury described in paragraph 1.a., b. or c. above.
 2. "Property Damage" to property owned, occupied or used by, rented, leased or loaned to, in the care, custody or control of, or over which physical control is being exercised for any purpose by the "Association", any employee of the "Association", the property manager, or an employee of the property management agency.
- G. No person or entity is an insured with respect to any actual or potential liability caused by, consisting of, or resulting from his, her, or its providing or failing to provide professional health care or counseling services.
- H. No person or organization is an insured with respect to that person's or organization's conduct or participation as a partner or member in any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

III. LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Declarations and the rules set forth below is the most the "Company" will pay regardless of the number of:
1. Insureds;
 2. "Claims" that are made; or
 3. Persons or organizations making "Claims".
- B. The General Aggregate Limit is the most the "Company" will pay in any one policy year for the sum of all:
1. Medical expenses;
 2. "Damages" for "Bodily Injury" and/or "Property Damage", except "Damages" because of bodily injury or "Property Damage" included in the products-completed operations hazard; and
 3. "Damages" for "Personal Injury" and "Advertising Injury".

- C.** The Products-Completed Operations Aggregate Limit is the most the "Company" will pay in any one policy year "Damages" because of "Bodily Injury" and/or "Property Damage" included in the products-completed operations hazard. Each payment the "Company" makes for such "Damages" reduces the Products-Completed Operations Aggregate Limit by the amount of such payment.
- D.** Subject to Paragraph **B.** or **C.** above, whichever applies, the Each "Occurrence" Limit is the most the "Company" will pay for the sum of:
1. All "Damages" for "Bodily Injury" and/or "Property Damage"; and
 2. All medical expenses
- because of all "Bodily Injury" and "Property Damage" with respect to any one "Occurrence". Any payment for medical expense shall reduce or be set-off from any amounts paid or payable for the same expense for liability caused by or resulting from "Bodily Injury". Each payment the "Company" makes for such "Damages" reduces the General Aggregate Limit by the amount of such payment.
- E.** Subject to paragraph **B.** above, the "Personal Injury" and "Advertising Injury" Limit is the most the "Company" will pay for all "Damages" because of all "Personal Injury" and/or "Advertising Injury" sustained by any one person or organization as a result of an offense. Each payment the "Company" makes for such "Damages" reduces the General Aggregate Limit by the amount of such payment.
- F.** Subject to paragraph **D.** above, the Damage to Premises Rented to "Association" Limit is the most the "Company" will pay for "Damages" because of "Property Damage" to any one premises while rented to the "Association", or in the case of damage by fire, while rented to the "Association" or temporarily occupied by the "Association" with permission of the owner.
- G.** Subject to paragraphs **B.** and **D.** above, the Medical Expense Limit is the most the "Company" will pay for all medical expense because of "Bodily Injury" sustained by any one person. Each payment the "Company" makes for such "Damages" reduces the General Aggregate Limit and the Each "Occurrence" Limit by the amount of such payment. Any payment for medical expense shall be reduced by or subject to set-off for any amounts paid or payable for the same expense under Coverage A.

The Limits of Insurance of this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding 12 month period for purposes of determining the Limits of Insurance.

IV. LIABILITY INSURANCE CONDITIONS

A. Bankruptcy

Bankruptcy or insolvency of an insured or an insured's estate will not relieve the "Company" of any obligation under this insurance.

B. Duties in the Event of Occurrence, Claim or Suit

1. Any insured aware of an "Occurrence" or an offense shall see to it that the "Company" is notified as soon as practicable of the "Occurrence" or offense which could result in a "Claim" under this Coverage Form. Notice should include:
 - a. How, when and where the "Occurrence" or offense took place;
 - b. The names and addresses of any injured persons and witnesses; and

c. The nature and location of any injury or damage arising out of the "Occurrence" or offense.

Notice of an "Occurrence" or offense is not notice of a "Claim".

2. If a "Claim" is made to or received by any insured, the "Association" and any involved insured shall:

a. Immediately record the specifics of the "Claim" and the date received; and

b. Notify the "Company" as soon as practicable of the "Claim".

Any insured who is aware of the "Claim" must see to it that the "Company" receives written notice of the "Claim" as soon as practicable.

3. The "Association" and any other involved insured must:

a. Immediately send the "Company" copies of any communications, demands, notices, summonses or legal papers received in connection with any "Claim" or "Suit" against an insured to which this coverage may apply;

b. Authorize the "Company" to obtain records and other information;

c. Cooperate with the "Company" in the investigation, settlement or defense of the "Claim" or "Suit"; and

d. Assist us, upon the "Company's" request, in the enforcement of any right against any person or organization which may be liable to an insured because of injury or damage to which this insurance may also apply.

4. The "Association" and any other insured under this Coverage Form who is aware of an "Occurrence", offense, "Claim", or "Suit" must promptly notify any other insurer which may have insurance coverage available for any "Occurrence", offense, wrongful act, "Claim" or "Suit" against an insured to which this coverage may apply, and also tender the defense and indemnity of any "Claim" made or "Suit" brought against an insured under this Coverage Form to any other insurer which may have insurance coverage available for an "Occurrence", offense, wrongful act, "Claim" or "Suit" for which the "Company" may provide coverage under this Coverage Form.

This insurance provided by this Coverage Form will be void with respect to the "Occurrence", offense, wrongful act, "Claim" or "Suit" if the "Association" or any other insured fails to provide such notice and tender to any other insurer which may have insurance coverage available for the "Occurrence", offense, wrongful act, "Claim" or "Suit".

5. No insured will, except at their own cost, voluntarily make a payment, assume any obligation or liability, or incur any expense, other than for first aid, without the "Company's" written consent.

C. Legal Action Against Us

No legal action may be brought against the "Company" until:

1. There has been full compliance with all terms of this insurance; and

2. There has been a final judgment to determine each involved insured's obligation or the "Company" agrees in writing to the amount of the obligation.

No person or organization has any right under this insurance to bring the "Company" into any action to determine the liability of any insured.

The sentence immediately above does not apply in Wisconsin.

D. Other Insurance

If other valid and collectible insurance is available to an involved insured for a "Claim" or loss, the "Company" covers under "Bodily Injury", "Property Damage", "Personal Injury" or "Advertising Injury" coverage of this insurance, the "Company's" obligations are limited as follows:

1. Primary Insurance

This insurance is primary except when 2. below applies. If this insurance is primary, the "Company's" obligations are not affected unless any of the other insurance is also primary. If this insurance is primary, the "Company" will share any defense and indemnity obligations with all other insurance by the method described in 3. below.

2. Excess Insurance

A. This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:

- (1)** That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "insured's work";
- (2)** That is Fire insurance for premises rented to insured;
- (3)** If the loss arises out of the maintenance or use of aircraft, autos or watercraft to the extent not subject to the AIRCRAFT-WATERCRAFT-AUTO exclusion;
- (4)** In those instances where an involved insured under this Coverage Form is also an insured under a policy issued by any other insurer and which policy may provide coverage for the loss or "Claim"; or
- (5)** That provides Directors and Officers or Commercial General Liability coverage for the "Association" or its officers, directors, trustees, board members, property manager, or employees.

When this insurance is excess, the "Company" will have no duty under this coverage to defend any "Claim" that any other insurer has a duty to defend. If no other insurer honors its duty to defend, the "Company" may undertake to do so, but the "Company" will be entitled to the insured's rights against all such other insurers.

When this insurance is excess over other insurance, the "Company" will pay only the "Company's" share of the amount of the loss, if any, that exceeds sums of:

- a.** the total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- b.** the total of all deductible and self-insured amounts under all other insurance.

Pursuant to paragraph 3., Method of Sharing, below, the "Company" will share the remaining loss, if any, with any other insurance that is not described in the Excess Insurance provision and was not bought specifically to apply in excess of this insurance.

3. Method of Sharing

If all the other insurance permits contribution by equal shares, the "Company" will follow this method also. Under this approach, each insurer contributes equal amounts until each insurer exhausts its applicable Limit of Insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, the "Company" will contribute by limits. Under this method, the "Company's" share is based upon and limited to the "Company's" percentage of the ratio of the "Company's" applicable Limit of Insurance to the total applicable Limit of Insurance of all insurers.

E. The Company's Rights to Recover Payment

When an insured has rights to recover full or partial payment the "Company" has made under this Coverage Form, those rights are transferred to us. The involved insured must do nothing during or after a loss to impair his, her, its, or the "Company's" right of recovery. At the "Company's" request, the involved insured will bring "Suit" or transfer those rights to the "Company" and help the "Company" enforce them.

The "Company" waives any rights which this Condition may give the "Company" against:

1. Any unit owner of the condominium "Association" or members of the unit owner's household;
2. The condominium "Association"; and
3. Members of the board of directors of the condominium "Association" for acts or omissions within the scope of their duties for the condominium "Association".

The unit owner waives any rights of subrogation under this Coverage Form against the "Association" and its board of directors, collectively and individually.

F. Arbitration

The "Company" is entitled to exercise all of the insured's rights in the selection of arbitrators and the conduct of any arbitration proceeding.

G. Coverage Territory

This insurance applies anywhere in the world, however, the original "Suit" for "Damages" must be brought within the state where the "Association" is located.

H. Cross Liability/Severability of Interest

Except with respect to the Limits of Insurance, this insurance applies:

- a. As if each insured were the only insured;
- b. Protects each insured in the same manner as though a separate policy has been issued to each; and
- c. Separately to each insured against whom "Claim" is made against.

In addition, the inclusion of each insured as defined in Section II. – **WHO IS AN INSURED** shall not affect the rights of any other insured regarding any "Claim", demand, "Suit" or judgment made or brought by or in favor of any other insured.

This condition does not increase the "Company's" liability beyond the amount had only one person or interest been insured. Nothing in this Condition will affect any rights or duties specifically assigned to the "Association".

J. Knowledge of Actual or Alleged "Sexual Abuse Occurrence"

Whenever any board member, officer, trustee, director, supervisory employee, or property manager personnel of the "Association" has actual knowledge of any previous act, incident, or alleged act or incident of sexual abuse by any "Association" board member, officer, trustee, director, employee, volunteer working on behalf of the "Association", or property management personnel of sexual abuse of any person, then this coverage shall be void with respect to any subsequent alleged "sexual abuse Occurrence" involving, caused by, consisting of, or resulting from or in any way relating to sexual abuse on the part of that "Association" board member, officer, trustee, director, employee, volunteer working on behalf of the "Association", or property management personnel at any time.

V. DEFINITIONS

When used with respect to insurance under this Coverage Form:

- A. "Advertising Injury"** means injury committed in the course of the "Association's" advertising activities arising out of one or more of the following offenses:
 - 1. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
 - 2. Oral or written publication of material that violates a person's right of privacy; or
 - 3. Misappropriation of advertising ideas or style of doing business.
- B. "Association"** means the homeowners', condominium or townhouse "Association" or cooperative corporation listed as a Named Insured in the Declarations. The "Association" does not include any developer, or partner or member of the developer, except as specifically stated in Section II – **WHO IS AN INSURED**.
- C. "Auto"** means a land motor vehicle, trailer, or semi-trailer designed and licensed for travel on public roads, which is subject to a compulsory or minimum financial responsibility statute or regulation, including any attached machinery or equipment. However, "Auto" does not include "Mobile Equipment".
- D. "Bodily Injury"** means injury, sickness, or disease to the body of a person, including death at any time as a result of the injury, sickness, or disease.
- E. "Claim"** means a request, demand, or a communication that a demand or request may be forthcoming, to an insured by another person or entity for money or services as a result of a purported act or omission by an insured or a purported act or omission on behalf of an insured.
- F. The "Company"** means the insurer providing the coverage afforded under this Coverage Form.
- G. "Damages"** means any monetary compensatory amount that an insured is legally obligated to pay, including judgments, awards, and settlements entered into with the "Company's" prior written consent.

However, "Damages" does not include, by way of description and not of limitation, any form of equitable relief, costs associated with complying with injunctions or temporary restraining orders, or any exemplary, statutorily imposed treble or multiple "Damages", fines, penalties, remedial, or punitive judgments or awards.

H. "Defense Expense" means payment allocated to a specific "Claim" or "Suit" for its investigation, settlement, or defense, including:

1. Attorneys' fees and any other reasonable litigation expenses;
2. The cost of bonds to appeal a judgment or award in any "Suit" the "Company" defends;
3. Up to \$2,000 for the cost of bail bonds required due to an accident or traffic law violation resulting from the use of any vehicle to which the "Bodily Injury" Liability Coverage applies;
4. The cost of bonds to release attachments, but only for bond amounts within amount provided by this coverage. These bonds do not have to be furnished by the Company;
5. All reasonable expenses that are incurred by any insured, at the Company's request, during the process of assisting the Company in the investigation or defense of the "Claim" or "Suit", including actual loss of earnings up to \$250 a day because of time off from work, or for property managers for time at work in addition to normal working hours necessary to assistance to the "Company" in defense of the "Claim" or "Suit", not to exceed \$5,000 per "Claim" for all insureds;
6. All costs taxed against the insured in the "Suit";
7. All interest on the full amount of any judgment that accrues after entry of judgment and before the "Company" has paid, offered to pay, or deposited in court the amount available for the judgment under this Coverage Form; and
8. Expenses for any dispute resolution proceeding, including but not limited to arbitration and mediation, to which this insurance applies and to which an insured must submit or do submit with the "Company's" consent.

"Defense Expense" does not include:

- a. Salaries and expenses of an insured's officers, directors, board members, trustees, employees, property manager, and property manager's employees; and
- b. Fees and expenses of independent adjusters hired by the Company.

Each annual period means each consecutive period of one year commencing from the inception date of this Coverage Form, through the expiration date listed in the Declarations.

- I. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by "Fungi".
- J. "Hostile Fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
- K. "Impaired Property" means tangible property, other than "Insured's Product" or "Insured's Work", that cannot be used or is less useful because:
 1. It incorporates "Insured's Product" or "Insured's Work" that is known or thought to be defective, deficient, inadequate, or dangerous; or
 2. An insured failed to fulfill the terms of a contract or agreement;

If such property can be restored to use by the repair, replacement, adjustment, or removal of "Insured's Product" or "Insured's Work" and an insured fulfilling the terms of the contract or agreement.

L. "Insured Contract" means:

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1. A written contract for a lease of premises;
2. A written sidetrack agreement;
3. Any easement or license agreement in connection with vehicle or pedestrian private railroad crossing at grade, except in connection with construction or demolition operations on or within 50 feet of a railroad;
4. Indemnification of a municipality as required by ordinance, except in connection with work for a municipality;
5. A written elevator maintenance agreement,
6. That part of any other written contract or agreement pertaining to the "Association's" business under which the "Association" assumes the tort liability of another to pay "Damages" because of "Bodily Injury" or "Property Damage" to a third person or organization, if the written contract or agreement is executed by the "Association" prior to the inception of the "Bodily Injury" or "Property Damage". Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

An "Insured Contract" does not include that part of any contract or agreement that indemnifies an architect, engineer or surveyor for injury or damage arising out of:

- a. Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
- b. Giving directions or instruction, or failing to give them, if that is a primary cause of the injury or damage.

M. "Insured's Product" means:

1. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - a. An insured;
 - b. Others trading under an insured's name; or
 - c. a person or organization whose business or assets an insured acquired;
2. Containers (other than vehicles), materials, parts of equipment furnished in connection with such goods or product; and
3. Warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included above.

"Insured's Product" does not include vending machine or other property rented to or located for the use of others but not sold.

N. "Insured's Work" means:

1. Work or operation performed by an insured or on behalf of an insured;
2. Materials, parts or equipment furnished in connection with such work or operation; and
3. Warranties or representation made at any time with respect to the fitness, quality, durability, or performance related to paragraphs 1. and 2., above.

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O. "Loading or Unloading" means the handling of property:

1. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, or "Auto";
2. While it is in or on an aircraft, watercraft, or "Auto"; or
3. While it is being moved from an aircraft, watercraft, or "Auto" to the place where it is finally delivered.

But "loading or unloading" does not include the movement of property by means of a mechanical device, other than by hand truck that is not attached to an aircraft, watercraft, or "Auto".

P. "Medical Expense" means reasonable expenses for:

1. First aid at the time of an accident;
2. Necessary medical, surgical, x-ray, and dental services, including prosthetic devices; and
3. Necessary ambulance, hospital, professional nursing, and funeral services;

which are incurred within 12 months of the inception of the "Bodily Injury" and caused by or resulting from the "Bodily Injury" incurred in the accident.

Q. "Mobile Equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts, and other vehicles designed for use principally off public roads;
2. Vehicles maintained for use solely on or next to premises insured owns or rents;
3. Vehicles that travel on crawler treads;
4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - a. Power cranes, shovels, loaders, diggers, or drills; or
 - b. Road construction or resurfacing equipment such as graders, scrapers, or rollers.
5. Vehicles not described in 1. – 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - a. Air compressors, pumps and generators, including spraying, welding; building cleaning, geophysical exploration, lighting, and well servicing equipment; or
 - b. Cherry pickers and similar devices used to raise or lower workers, material, or equipment;
6. Vehicles not described in 1. – 4. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with following types of permanently attached equipment are not "Mobile Equipment" but will be considered "Autos":

- (1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers, material, or equipment; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting, and well servicing equipment.

R. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions which results in "Bodily Injury" or "Property Damage".

S. "Personal Injury" means injury, other than "Bodily Injury", arising out of one or more of the following offenses committed in the course of the "Association's" business, other than the "Association's" advertising activities:

- 1. False arrest, wrongful detention or imprisonment, or malicious prosecution;
- 2. Wrongful entry into, or eviction from a room, dwelling or premise that the person occupies by an owner, board member, officer, trustee, agent or employee of the "Association" while acting within the scope of their duties as such;
- 3. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; and
- 4. Oral or written publication of material that violates a person's right of privacy.

T. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, radiation or radioactive contamination, pathogenic or poisonous biological or chemical materials and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

U. "Products-Completed Operations Hazard":

- 1. Includes all "Bodily Injury" and "Property Damage" occurring away from premises an insured owns or rents and arising out of an "Insured's Product" or an "Insured's Work" except:
 - a. Products that are still in an insured's physical possession; or
 - b. Work that has not yet been completed or abandoned. However, the "Insured's Work" will be deemed completed at the earliest of the following times:
 - (1) When all of the work called for in an insured's contract has been completed;
 - (2) When all of the work to be done at the site has been completed if the insured's contract calls for work at more than one site.
 - (3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- 2. Does not include "Bodily Injury" or "Property Damage" arising out of:
 - a. The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the "loading or unloading" of it;

- b. The existence of tools, un-installed equipment or abandoned or unused materials;
- c. Products or operations for which the classification in the "Company's" manual of rules includes products or completed operations.

V. "Property Damage" means

- 1. Physical injury to tangible property including all resulting loss of use of that property, all such loss of use shall be deemed to occur at the inception of the physical injury that caused it; or
- 2. Loss of use of tangible property that is not physically injured, all such loss of use shall be deemed to occur at the inception of the "Occurrence" that caused it.

W. "Sexual Abuse" means the infliction or threatened infliction of harm of a sexual nature upon any person by another person or persons, whether such harm is physical, emotional, or psychological and is caused by or the result of physical, visual, or audible conduct.

X. "Sexual Abuse Occurrence" means the exposure of any person to sexual abuse by any person(s). All such exposure, including multiple interactions occurring over any period of time, shall be considered to have occurred at the time of the first exposure and during the policy year of the first such exposure

Y. "Suit" means a civil proceeding in which "Damages" are sought because of an alleged "Occurrence" or offense by or on behalf of an insured resulting in "Bodily Injury", "Property Damage", "Personal Injury", "Advertising Injury" to which this insurance applies are alleged. "Suit" includes:

- 1. An arbitration proceeding in which such "Damages" are sought and to which insured must submit or do submit with the "Company's" consent; or
- 2. Any other alternative dispute resolution proceeding in which such "Damages" are sought and to which insured submits with the "Company's" consent.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

In consideration of the premium charged, it is agreed that:

1. Section **I. COVERAGES**, subsection **B. Defense of Claims**, paragraph 4. subparagraph f. is deleted in its entirety.
2. Section **I. COVERAGES**, subsection **C. Exclusions**, paragraph 24. **Sexual Abuse** is deleted in its entirety and replaced by the following:

24. "Sexual Abuse"

"Bodily Injury", "Property Damage", or "Personal Injury" caused by, resulting from, or consisting of any actual, threatened, intentional, unintentional, or alleged sexual abuse of any person. This exclusion also applies to any allegation against the "Association" or its property manager relating to any alleged incident of "sexual abuse" concerning negligent, reckless, intentional, or willful and wanton employment, investigation, supervision, training, reporting or failure to report sexual abuse to proper authorities, and retention of a person for whom the "Association" or its property manager is or ever was legally responsible; provided that this exclusion shall not apply to vicarious liability.

3. Section **IV. INSURANCE CONDITIONS**, subsection **F. Arbitration** is deleted in its entirety and replaced by the following:

F. Arbitration

If a loss covered under this Coverage Form is subject to arbitration or mediation, the "Company" is entitled to exercise all of the insured's rights in the selection of arbitrators and the conduct of any arbitration proceeding.

4. Section **IV. LIABILITY INSURANCE CONDITIONS**, subsection **J. Knowledge of Actual or Alleged "Sexual Abuse Occurrence"** is deleted in its entirety and replaced by the following:

J. Knowledge of Actual or Alleged "Sexual Abuse Occurrence"

Whenever any board member, officer, trustee, director, supervisory employee, or property manager personnel of the "Association" has actual knowledge of any previous act, incident, or alleged act or incident of sexual abuse by any "Association" board member, officer, trustee, director, employee, volunteer working on behalf of the "Association", or property management personnel of sexual abuse of any person, then this coverage shall be null with respect to any subsequent alleged "sexual abuse Occurrence" involving, caused by, consisting of, or resulting from or in any way relating to sexual abuse on the part of that "Association" board member, officer, trustee, director, employee, volunteer working on behalf of the "Association", or property management personnel at any time.

5. Section **V. DEFINITIONS**, subsection **H. "Defense Expense"**, paragraph 7. is deleted in its entirety.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITATION OF COVERAGE TO DESIGNATED PREMISES

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

Premises
7528-36 N Ridge Blvd Chicago, IL 60645
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

In consideration of the premium charged, it is agreed that:

- A.** This insurance applies only to "bodily injury", "property damage", "personal injury", "advertising injury", and medical expenses arising out of the ownership, maintenance or use of the premises shown in the SCHEDULE above and operations necessary to those premises.
- B.** If a "claim" is made or a "suit" is filed against any insured seeking "damages" due to "bodily injury", "property damage", "personal injury", "advertising injury", and medical expense arising out of or in any manner due to an occurrence, to which this coverage otherwise applies, which takes place at premises which are part of the Master Association (of which the named insured's premises comprise only a portion) or any other Sub Association of the Master Association, but not at the premises listed in the SCHEDULE above, we will have no obligation or duty to make any payment for or on behalf of an insured for any of the "damages" sought.
- C.** To the extent the insurer(s) of the Master Association or of any Sub Association of the Master Association fails to provide a defense for the insured against which the "claim" or "suit" is brought we shall provide a defense to an insured for such "claim" or "suit". Provided however, any defense of an insured provided by us for such "claim" or "suit" shall be on an excess basis as provided in Section IV. **LIABILITY INSURANCE CONDITIONS, D. Other Insurance**, paragraph 2., over the insurance provided by the insurer of any unit owner, the Master Association, and/or any other relevant Sub Association and shall not limit our right of recovery of "defense expenses" we incur against such other insurer.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND EXCLUSION OF OTHER ACTS OF TERRORISM COMMITTED OUTSIDE THE UNITED STATES

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. The following exclusion is added: This insurance does not apply to:

TERRORISM

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism", or out of an "other act of terrorism" that is committed outside of the United States (including its territories and possessions and Puerto Rico), but within the "coverage territory". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000 (valued in US dollars). In determining whether the \$25,000,000 threshold is exceeded, the Company will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

B. The following definitions are added:

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1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part or Coverage Form to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal injury" or "advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act;
 - b. The act resulted in damage:
 - (1) Within the United States (including its territories and possessions and Puerto Rico); or
 - (2) Outside of the United States in the case of:
 - (a) An air carrier (as defined in Section 40102 of title 49, United States Code) or United States flag vessel (or a vessel based principally in the United States, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs; or
 - (b) The premises of any United States mission; and
 - c. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not a "certified act of terrorism".

Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

- C. The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for injury or damage that is otherwise excluded under this Coverage Form.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR, BIOLOGICAL, CHEMICAL AND RADIOLOGICAL EXCLUSION ENDORSEMENT

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM COMMERCIAL UMBRELLA COVERAGE FORM

In consideration of the premium charged, it is agreed that:

A. The following exclusion is added:

NUCLEAR, BIOLOGICAL, CHEMICAL, OR RADIOLOGICAL TERRORISM

No coverage will be available under this insurance for any loss, cost, damage, expense, injury, claim or suit, caused by, arising out of, or resulting directly or indirectly, in whole or in part from any act of "Nuclear, Biological, Chemical, or Radiological Terrorism", regardless of any other cause or event that contributes concurrently or in any other sequence to the act of "Nuclear, Biological, Chemical, or Radiological Terrorism".

B. APPLICATION OF OTHER EXCLUSIONS

In the event of any incident of a "Nuclear, Biological, Chemical, or Radiological Terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under any applicable Coverage Form or policy.

C. For the purpose of this Endorsement the following Definitions are added to the policy:

1. "Biological Agent means any pathogenic (disease producing) micro-organism(s) and/or biological produced toxin(s), including genetically modified organisms and chemically synthesized toxin(s) which caused illness, damage, injury or death in humans, animals, or plants.
2. "Chemical Agent" means any compound which, when disseminated, produces incapacitating illness, or damaging and/or lethal effects on people, animals, plants, or property.
3. "Nuclear, Biological, Chemical, or Radiological Terrorism" means the:
 4. Dispersal, application, or release of radioactive material;
 5. Use of any nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation, or radioactive contamination; or
 6. Emission, discharge, dispersal, release, or escape of any solid, liquid or gaseous "Biological Agent" and/or "Chemical Agent";

by any person or group(s) of persons, whether acting alone, or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.



FIDELITY INSURANCE COVERAGE DECLARATIONS

This insurance applies only to those Insuring Agreements for which a Limit of Insurance is shown below.

Name Insured: North End Condominium Association

Policy Number: CISACP001030-01

Limit of Insurance

\$ 75,000

\$ 500

Insuring Agreement

Employee Dishonesty

Per Occurrence Deductible

\$ 25,000

\$ 500

Money and Securities

Per Occurrence Deductible

\$ 25,000

\$ 500

Depositor's Forgery

Per Occurrence Deductible

\$ 25,000

\$ 500

Credit Card Forgery

Per Occurrence Deductible

\$ 75,000

\$ 500

Electronic Crime

Per Occurrence Deductible

\$ 25,000

\$ 500

Money Orders and Counterfeit Paper Currency

Per Occurrence Deductible



“Association” and Community Excellence Program

FIDELITY INSURANCE COVERAGE FORM

I. INSURING AGREEMENTS

Pursuant to the Fidelity Coverage Application and Manager's Supplement the “Association” or its representative submitted to the “Company”, which are attached to and made a part of this Fidelity Insurance Coverage Form, coverage is provided during the “Policy Period” to the “Association” under the following Insuring Agreements for which a Limit of Insurance is shown in the **Fidelity Insurance Coverage Declarations**:

A. Employee Dishonesty

The “Company” will pay for the loss of “Money”, “Securities”, and “Other Property” that “Association” sustains resulting directly from “Employee Dishonesty” through acts committed or events occurring during the “Policy Period”.

Coverage Extension - The “Company” will pay for loss caused by any “Employee” while temporarily outside the Coverage Territory for a period not more than 90 days during the “Policy Period”.

B. Money and Securities

The “Company” will pay for loss, occurring during the “Period” resulting directly from the “Association” having, in good faith, accepted in exchange for merchandise, “Money” or “Securities”:

1. Any post office or express money order in exchange for merchandise, “Money” or services; or
2. Counterfeit United States or Canadian paper currency.

C. Depositor's Forgery

The “Company” will pay for loss that the “Association” sustains as the direct result of forgery or alteration of any checks or drafts that the “Association” or its agent issued or appeared to have issued during the “Policy Period” to pay a sum certain in “Money” that are:

1. Made or drawn by or drawn upon the “Association's” account that is payable to a fictitious person or organization and endorsed in the name of that person or organization;
2. Made or drawn by one acting as the “Association's” agent or that are purported to have been so made or drawn on the “Association's” account payable to a fictitious person or organization and endorsed in the name of that person or organization, or that is actually handed to someone impersonating the person or claiming to represent the organization to be paid and endorsed by someone other than the person or representative of the organization to be paid; or
3. A payroll check, draft or money order the “Association” or its agent wrote that is payable both to the bearer and to the person or organization named on it. But the check, draft or money order must be endorsed by someone other than the person or organization named as the payee without permission of the “Association” and the person or organization designated as the payee on the check, draft or “Money” order. The “Association” is protected even if the false instrument is not considered a forgery by law. The “Company” will treat any mechanically reproduced facsimile signature just as if is a handwritten signature.

Coverage Extension - If the “Association” is sued for refusing to pay any check or draft on the basis that it has been forged or altered, and the “Association” has the “Company's” written consent to defend

against the suit, the "Company" will pay for any reasonable legal expenses that the "Association" incurs and pays in that defense. The "Company" retains the right to control the defense. The amount the "Company" will pay under this extension is in addition to the Limit of Insurance applicable to this Insuring Agreement.

D. Credit Card Forgery

The "Company" will pay for loss that the "Association" sustains as the direct result of forgery or alteration of, on or in any written instrument required in conjunction with any credit or debit card issued to the "Association" or to any officers or "Employees" for use only with respect to the "Association's" business and for which the "Association" is legally liable to the issuer of the involved credit card.

Credit and/or debit card forgery does not mean any loss through forgery or alteration of, on or in any written instrument unless the provisions, conditions and all terms under the involved credit card were fully performed.

Coverage Extension - If the "Association" refuses to make payment on such written instrument because it may have been forged or altered, the "Company" will pay for any reasonable legal expenses incurred in defense of a suit for payment, provided the "Association" has the "Company's" written consent to defend against the suit. The "Company" retains the right to control the defense. The amount the "Company" will pay under this extension is in addition to the Limit of Insurance applicable to this Insuring Agreement.

E. Electronic Crime

The "Company" will pay for:

1. Direct loss the "Association" incurs from damage to "Money", "Securities" and "Other Property" resulting directly from a "Computer Fraud" "Occurrence"; and
2. The Reasonable "Restoration Expense" incurred by the "Association" to restore or replace damaged or destroyed "Computer Program" or "Electronic Data" Stored within the "Association's" "Computer System" directly from a "Computer Violation" "Occurrence".

The "Restoration Expense" incurred by the "Association" for a loss related to one or more "Computer Programs" and/or "Electronic Data" from the time the "Association" first "Discovers" the loss or damage until the effected "Computer Program" and/or "Electronic Data" is restored to level of operational capability that existed immediately preceding the "Computer Violation" shall be considered a single loss "Occurrence". A reoccurrence of the same "Computer Virus" to the "Association's" restored "Computer Program" or "Electronic Data" will be considered a separate loss "Occurrence".

Payment of reasonable "Restoration Expense" shall only be made for "Computer Program" or "Electronic Data":

- a. Owned by the "Association" or which the "Association" is legally liable; and
- b. That the "Association" or its agent cannot reproduce from back-up "Computer Program" or "Electronic Data" copies.

Payment of reasonable "Restoration Expense" shall only be made to the "Association" and only after the restoration of the damaged or destroyed "Computer Programs" or "Electronic Data" is completed.

The above Insuring Agreements only provide coverage for the loss of "Money", "Securities", or "Other Property" owned by the Association, that the "Association" is legally liable for, or that are held by the "Association" in any capacity regardless if the "Association" is liable or not.

II. EXCLUSIONS

The "Company" will not pay for loss as specified below:

A. Accounting or Arithmetical Errors or Omissions

Loss consisting of or resulting from accounting or arithmetical errors or omissions.

B. Fire

Loss from damage to the "Premises" resulting from fire, however caused.

C. Employee Canceled Under Prior Coverage

Loss caused by or resulting from an authorized officer, director, trustee, "Employee", or other person with access to the "Association's" funds for whom similar prior coverage has been cancelled and not reinstated since the cancellation.

D. Inventory Shortages

Loss or that part of any loss, the proof of which as to its existence or amount is dependent upon:

1. An inventory computation; or
2. A profit and loss computation.

E. Legal Expenses

Any expenses or fees related to legal actions unless specifically stated herein.

F. Acts of Employees, Directors, Trustees or Representatives

Under Insuring Agreements **C. Depositor's Forgery** and **D. Credit Card Forgery** the "Company" will not pay for loss resulting from any dishonest or criminal act committed by any of the "Association's" "Employees", directors, trustees, officers, or authorized representatives acting alone or in collusion with other persons.

However, this exclusion does not apply under Insuring Agreement **C. Depositor's Forgery** to loss of checks or drafts while outside the "Association's" "Premises" or any "Banking Premises" and in the care and custody of a "Messenger" if the Association:

1. Had no knowledge of any threat at the time the conveyance began; or
2. Had knowledge of a threat at the time of the conveyance began, but the loss was not related to the threat.

G. Transfer or Surrender of Property

Under Insuring Agreements **C. Depositor's Forgery** and **D. Credit Card Forgery** the "Company" will not pay for the loss of "Money" or "Securities" after it has been transferred or surrendered to a person or place outside the "Association's" "Premises" or any "Banking Premises":

1. On the basis of unauthorized instruction; or
2. Resulting from a threat of bodily harm to any person or of damage to any property.

But, this exclusion does not apply under Insuring Agreement **C. Depositor's Forgery** to loss of checks or drafts while outside the "Association's" "Premises" or any "Banking Premises" and in the care and custody of a "Messenger" if the Association:

- a. Had no knowledge of any threat at the time the conveyance began; or
- b. Had knowledge of a threat at the time of the conveyance began, but the loss was not related to the threat.

H. Vandalism

Loss from damage to the "Premises" or its exterior or to containers of Covered Property by vandalism or malicious mischief.

I. Voluntary Parting of Title to or Possession of Property

Loss resulting from the "Association's", or anyone acting on the "Association's" express or implied authority, being induced by any, including but not limited to, kidnap/ransom/extortion payment (excludes robbery), to voluntarily part with title to or possession of any property.

J. Indirect Loss

Loss that is an indirect or consequential result of any act or "Occurrence" covered by this Coverage Form including, but not limited to, loss resulting from:

1. The "Association's" inability to realize income that the "Association" would have realized had there been no loss of, or loss from damage to, "Money", "Securities", or "Other Property", any "Computer Programs", or "Electronic Data";
2. Payment of damages of any type for which the "Association" is legally liable, except with respect to Credit Card Forgery;
3. Payment of costs, fees or other expenses the "Association" incurs in establishing either the existence or the amount of loss.
4. Indirect or consequential loss of any nature, including, but not limited to, fines, penalties, exemplary, multiple, or punitive damages.

K. Exchange or Purchases

Loss resulting from the giving or surrendering of "Other Property" in any exchange or purchase.

L. Money Operated Devices

Loss of "Money" or "Other Property" contained in any "Money" operated device unless the amount of "Money" deposited in it is recorded by a continuous recording instrument in the device.

M. Nuclear

Loss resulting from nuclear reaction, nuclear radiation or radioactive contamination or any related act or incident.

N. War and Similar Actions

Loss resulting from war, whether or not declared, warlike action, insurrection, rebellion or revolution, or any related act or incident.

O. Authorized Person

Loss or damages resulting directly or indirectly from the input of "Electronic Data" by a natural person having authority to enter the "Association's" "Computer System", unless covered under Coverage Agreement **A. Employee Dishonesty**.

P. Forgery

Loss or damages resulting directly or indirectly from forged, altered, or fraudulent documents or written instructions used as source documentation in the preparation of "Electronic Data", unless covered under Insuring Agreement **A. Employee Dishonesty**.

Q. Records

Loss of or damage to manuscript, records, accounts, microfilm, tapes or other records, whether written or electronic, or the cost of reproducing any information contained therein, unless covered under Insuring Agreement **A. Employee Dishonesty**

R. Trading

Loss resulting directly or indirectly from trading anything, whether or not in the name of the "Association" and whether or not in a genuine or fictitious account, unless covered under Insuring Agreement **A. Employee Dishonesty**.

S. Armored Cars

Loss of "Money", "Securities", or "Other Property" held by an armored motor vehicle company for the "Association" and which is stored by such company overnight inside buildings used in the conduct of such company's business.

T. At Financial Institution Property

Loss of "Money", "Securities", or "Other Property" while in the custody of any bank, trust company, or similar place of safe deposit or armored motor vehicle company.

However, this exclusion does not apply if the loss is in excess of the amount recoverable by the "Association" under its contract, if any, or the limit of insurance carried by the aforesaid entity.

U. Computer Fraud

Loss or damage resulting directly or indirectly from "Computer Fraud", unless covered under Insuring Agreements **A. Employee Dishonesty** or **E. Electronic Crime**.

V. Diminution In Value

Loss resulting directly or indirectly from diminution in value of "Money", "Securities", or "Other Property".

W. Other Organization

Loss sustained by any partner, partnership, limited liability company, or joint venture in which the "Association" participates or any company or organization affiliated with or a subsidiary of the "Association" unless the subsidiary or affiliated company is listed in the **Fidelity Insurance Coverage Declarations** or this Coverage Form.

III. LIMITS OF INSURANCE

The most the "Company" will pay for loss in any one "Occurrence" is the applicable Limit of Insurance shown in the **Fidelity Insurance Coverage Declarations**.

If a loss involves more than one Insuring Agreement in the **Fidelity Insurance Coverage Declarations**, the "Company" shall only pay the higher of whichever Limit of Insurance is applicable to the loss.

IV. DEDUCTIBLE

- A. The "Company" will not pay for loss in any one "Occurrence" unless the amount of loss exceeds the deductible shown in the **Fidelity Insurance Coverage Declarations**. The "Company" will then pay the amount of loss in excess of the deductible, up to the Limit of Insurance.
- B. The "Association", its officers, directors, trustees or its management agency must:
1. Give the "Company" notice as soon as possible for any loss of the type covered hereunder even though it falls entirely within the deductible; and
 2. Upon the "Company's" request, give the "Company" a statement describing the loss.

VI. CONDITIONS

A. Voidance As To Any Employee

Coverage provided to any "Employee" shall be immediately become void upon "Discovery" by any:

1. Other officer, director, trustee of the Association; or
2. Property manager of the "Association" not in collusion with the "Employee";

of any dishonest act committed by that "Employee" whether before or after becoming employed or elected by the "Association" or employed by the "Association's" property management agency.

B. Policy Period

1. The "Policy Period" is shown in the **General Declarations**.
2. Subject to Condition E. **Loss Sustained Prior To Current Policy Period Condition**, the "Company" will pay only for loss that the "Association" sustains through acts committed or events occurring during the "Policy Period".
3. If this Coverage Form is written for a period in excess of one year, a separate "Policy Period" is deemed to exist for each annual premium period or portion thereof.

C. Discovery Period for Loss

The "Company" will pay only for a covered loss "Discovered" no later than one year after the expiration of the "Policy Period" of this Coverage Form in force at the time the loss occurred.

D. Legal Action Against the Company

No legal action may be brought against the "Company" involving loss:

1. Unless there has been full compliance with all terms of this insurance;

2. Until 90 days have passed since the "Association" filed a Proof of Loss with the "Company" and the "Company" has stated a position with respect to said Proof of Loss; and
3. Unless brought against the "Company" within 1 year from the date the loss is "Discovered by the "Association" or by an officer, director, trustee or "Employee" of the Association, the "Association's" property manager, or by anyone else having access to the "Association's" funds except the perpetrator of the loss.

The 1 year period for legal action against the "Company" is:

- a. Extended by the number of days between the date the Proof of Loss is received by the "Company" and the date the "Company" denies the claim in whole or in part; and
- b. Revised to 6 months from the date of judgment to recover any expense paid for any legal proceedings to recover on account of any judgment against the "Association" or any of the "Association's" banks of deposit in any suit referred under Insuring Agreement **C. Depositor's Forgery**. If any limitation stated in this provision is prohibited by any law, the limitation is amended to be equal to the minimum limitation permitted by law.

E. Loss Sustained Prior To Current Policy Period

If the Association, or any predecessor in interest, sustained loss during the period of any prior "Policy Period" that the "Association" or its predecessor in interest could have recovered under that coverage except that the time within which to "Discover" loss had expired, the "Company" will pay for it under this coverage provided:

1. This Coverage Form became effective at the time of cancellation or termination of the prior coverage's most recent "Policy Period", or within two years of the date of loss if a financial review was conducted as per Condition **Q.** below; and
2. The loss would have been covered by this Coverage Form had it been in effect when the acts or events causing the loss were committed or occurred.

To the extent a loss was incurred by the "Association" during a prior "Policy Period" and falls within the prior insurer's coverage and extended reporting period after the prior Coverage Form's cancellation or termination, this Coverage Form shall only apply, subject to the term and conditions of this Coverage Form, to the amount the loss exceed the Limit of Insurance of the prior insurance. Any payment made by the "Company" to the "Association" for such loss shall not exceed the difference in Limits of Insurance of the prior insurance and the applicable Coverage Agreement of this Fidelity Insurance.

F. Loss Covered Under this Coverage and Prior Coverage Issued by the Company or Any Affiliate

If any loss is covered:

1. Partly by this coverage; and
2. Partly by any prior cancelled or terminated coverage that the "Company" or an affiliate of ours had issued to the "Association" or any predecessor in interest;

The most the "Company" will pay is the larger of the amount recoverable under this coverage or the prior coverage.

Regardless of the number of years this coverage remains in force or the number of premiums paid, the Limit of Insurance does not accumulate from year to year or period to period.

G. Ownership of Property; Interests Covered

The property covered under this coverage is limited to property:

1. That the "Association" owns or holds; or
2. For which the "Association" is legally liable.

However, this coverage is for the "Association's" benefit only. It provides no rights or benefits to any other person or organization.

H. Records

The "Association" must keep records of all Covered Property so the "Company" can verify the amount of any loss.

I. Recoveries

1. Any recoveries, less the cost of obtaining them, made after settlement of loss covered by this Coverage Form will be distributed as follows:
 - a. To the "Association" until it is reimbursed for any loss that the "Association" sustains that exceeds the Limit of Insurance and the deductible, if any;
 - b. Then to the "Company", until the "Company" is reimbursed for the total payments the "Company" made for the loss; and
 - c. Then to the "Association" until it is reimbursed for that part of the loss equal to the deductible, if any.
2. Recoveries do not include any recovery
 - a. From coverage, suretyship, reinsurance, security or indemnity taken for the "Company's" benefit; or
 - b. Of original "Securities" after duplicates of them have been issued

J. Coverage Territory

This coverage applies only to covered acts committed or covered events occurring within the United States of America, its territories and possessions, Puerto Rico or Canada.

K. Consolidation, Acquisition or Merger

If through consolidation, acquisition, or merger with, or purchase of assets of, some other entity:

1. Any additional persons become "Employees"; or
2. The "Association" acquires the use and control of any additional "Premises";

Such additional "Employees" and "Premises" will be provided coverage, but only if the Association:

- a. Gives the "Company" written notice within 30 days of the acquisition; and
- b. Pays the "Company" the appropriate additional premium charged.

The "Company" will not pay for losses sustained prior to the date of the consolidation acquisition or merger regardless of any other terms and conditions of this Coverage Form.

L. Duties In The Event Of Loss

When any directors, officers, trustee, or "Employee" of the "Association" or the "Association's" property manager or its "Employee" "Discovers" a loss or a situation that may result in loss of, or loss from damage to "Money", "Securities", "Other Property", "Computer Programs", or "Electronic Data" covered under this Coverage Form, a director, officers, trustee or "Employee" of the "Association" or the "Association's" property manager or an "Employee" thereof must:

1. Notify the "Company" as soon as possible;
2. Submit to an examination under oath at the "Company's" request and give the "Company" a signed statement of the answers given during the examination;
3. Cooperate with the "Company" in the investigation and settlement of any claim.
4. Notify the appropriate law enforcement authority, and the "Association" must press charges against the perpetrator(s), if known.
5. Promptly tender any claim made, the defense of any claim made, or any lawsuit, to any other insurer which also has or may have available insurance for a loss which the "Company" will cover under this Coverage Form.
6. Provide the "Company" with a signed and sworn Statement of Proof of Loss that includes the dates and values of the "Money", "Securities", and/or "Other Property" lost or damaged, within 30 days of the "Company's" request. Proof of Loss under Insuring Agreement **C. Depositor's Forgery Coverage** will include the check or draft which is the basis for the loss. However, if filing the check or draft is not possible, the "Association's" affidavit or the affidavit of the "Association's" bank of deposit stating the amount and the cause of the loss will be accepted.
7. The Association, its "Employees", the "Association's" property manager and any of its "Employees" who are aware of a loss covered or potentially covered under this Coverage must promptly notify and present a claim, including a tender of defense if applicable, to any other insurer which may provide coverage for said loss. Failure to provide such notice, tender, and presentment of claim to any other insurer which may have insurance coverage available for the loss will void this insurance with respect to the loss.

M. Coverage Under Two or More Coverage Forms

If two or more of this policy's Coverage Forms apply to the same loss, the "Company" will not pay more than the actual amount of the loss or damage subject to the highest available limit under any one applicable Coverage Form.

N. Other Insurance

There may be other insurance which applies to losses covered under this Coverage. If so, this insurance shall apply in excess of all other coverage. The "Company" will pay only for the amount of covered loss or damage in excess of the amount due from that other coverage, whether the "Association" can collect on it or not. But the "Company" will not pay more than the applicable Limit of Insurance.

O. Subrogation

If the "Association" or anyone else to whom the "Company" makes loss payment under this Coverage Form has rights to recover damages or insurance coverage from another, those rights are transferred to the "Company" to the extent of the "Company's" payment and the "Company" shall be subrogated to all such rights. The "Association" and any other insured must not do anything after loss to impair the "Company's" right of recovery.

If requested by the Company, the "Association" will bring suit or transfer those rights to the "Company" and help the "Company" enforce them. However, the "Company" waive the "Company's" right to subrogation under this Coverage Form against any unit owner of the condominium or members of the unit owner's household and against the "Association" and members of the board of directors, unless they are the perpetrators of the loss.

P. Valuation

Not to exceed the applicable Limit of Insurance the "Company" will pay for:

1. Loss of "Money" but only up to and including its face value as of the date of loss. If the loss occurs before the "Money" has been counted and recorded by the "Association", payment will not exceed the amount that is reasonably estimated and satisfactory to the "Company", not to exceed the Limit of Insurance. The "Company" may, at the "Company's" option pay for loss of "Money" issued by any country other than the United States of America:
 - a. At face value in the "Money" issued by that country; or
 - b. In the United States of America dollar equivalent determined by the rate of exchange on the day the loss was "Discovered".
2. Loss of "Securities", but only up to and including their value at the close of business on the day the loss was "Discovered". The "Company" may, at the "Company's" option:
 - a. Pay the value of such "Securities" or replace them in kind, in which event the "Association" must assign to the "Company" all the rights, title and interest in and to those "Securities"; or
 - b. Pay the cost of any Loss "Securities" Bond required in connection with issuing duplicates of the "Securities". However, the "Company" will be liable only for the payment of so much of the cost of the bond as would be charged for a bond having a penalty not exceeding the lesser of the:
 - (1) Value of the "Securities" at the close of business on the day the loss was "Discovered"; or
 - (2) Limit of Coverage.
 - c. Loss of, or loss from damage to, "Other Property" up to, but not exceeding the actual cash value of the "Other Property" as of the date of loss. The "Company" will not pay for loss or damage to "Other Property" which is insured elsewhere within this Coverage Form. If the "Company" cannot agree with the "Association" upon the actual cash value of the "Other Property" damaged or lost, the actual cash value will be determined by arbitration.
3. Any property that the "Company" pays for or replace becomes the "Company's" property.

Q. Required Financial Review Of Insured's Financial Records

In order for any of the listed Insuring Agreements under this Coverage Form to apply, it is required that at least every three years the "Association" obtain a financial review of the "Association's" financial records and transactions by an independent Certified Public Accounting firm which is not affiliated with or otherwise has any potential conflict of interest with any developer, director, officer, trustee, "Employee" or any other person or entity who controls, maintains or has access to the "Association's" funds and/or financial records.

VI. DEFINITIONS

- A. "Association" means the Named Insured listed in the **Fidelity Insurance Coverage Declarations**.
- B. "Banking Premises" means the interior of that portion of any building occupied by a banking institution or similar safe depository.
- C. "Computer Fraud" means the use of a computer to fraudulently cause the transfer of "Money", "Securities", or "Other Property" from inside the "Premises" or from "Banking Premises" to:
1. A person (other than a "Messenger") outside the "Premises" or "Banking Premises"; or
 2. A place outside the "Premises" or "Banking Premises".
- D. "Computer Program" means a sequence of coded electronic instructions inserted into a computer to direct a "Computer System" and/or devices connected thereto enabling the "Computer System" and/or devices to receive, process, store, retrieve, send, create, calculate, or otherwise implement the coded instructions.
- E. "Computer System" means one or more computers and connected input, output, storage and communication facilities, equipment utilizing "Computer Programs", and off-line media libraries owned by the "Association" or for which the "Association" or for which the "Association" is legally liable in the direct operation of the computer by the Association.
- F. "Computer Violation" means
1. The introduction by any means into the "Association's" "Computer System" of a "Computer Virus" designed to damage or destroy a "Computer Program" or "Electronic Data" or in interfere with the operation of a "Computer Program" or the storage or retrieval of "Electronic Data"; or
 2. Electronic vandalism to the "Association's" "Computer System" by a natural person, including an "Employee", who obtains unauthorized access (physical or electronic) to the "Association's" "Computer System".
- G. "Computer Virus" means an unauthorized electronic instruction, signal, or program designed to corrupt, damage, or destroy a "Computer Program" and spread throughout the "Association's" "Computer System" provided such instruction, signal or program was intentionally and maliciously introduced to the "Association's" "Computer System" by a natural person. The "Computer Virus" must be directed solely at the Association.
- H. "Discover" means when the "Association's" officers, directors, trustees, "Employees", property manager, any "Employee" of the property manager, or vendor working with the "Association's" "Computer System" first become aware of facts which would cause a reasonable person to suspect that a loss of a type covered by Insuring Agreement 5. **Electronic Crime** was incurred or will be incurred, regardless of when the acts causing or contributing to such loss, occur, even if the details of the loss are not then known.
- I. "Electronic Data" means facts or information covered to a form:
1. Usable in a "Computer System";
 2. Which does not provide instruction or directions to a "Computer System"; or
 3. Which is stored on electronic processing media for use by a "Computer System".

J. "Employee" means:

1. Any natural person:
 - a. While in the "Association's" service (and for 30 days after termination of service); and
 - b. Whom the "Association" compensates directly by salary, wages or commissions;
 - c. Whom the "Association" has the right to direct and control while performing services for the Association;
2. Any natural person employed by an employment contractor while that person is subject to the "Association's" direction and control and performing services for the Association, excluding, however, any such person while having care and custody of property outside the "Association's" "Premises";
3. Any natural or artificial person and any artificial person's "Employee" who controls or maintains funds of the Association; or
4. A director, officer or trustee of the Association.

But "Employee" does not mean any agent, broker, factor, commission merchant, consignee independent contractor or representative of the same general character.

K. "Employee Dishonesty" means loss of "Money", "Securities", or "Other Property" resulting from dishonest act committed by the "Association's" "Employee", whether identified or not, acting alone or in collusion with other persons, except any officer, director or trustee of the Association, with the manifest intent to:

1. Cause the "Association" to sustain loss; and
2. Obtain financial benefit (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other "Employee" benefits earned in the normal course of employment) for the "Employee" or any person or organization intended by the "Employee" to receive that benefit.

L. "Messenger" means any officer, director, trustee, "Employee" of the Association, or its property management agent or "Employee" thereof while having care and custody of the property outside the "Association's" "Premises".**M. "Money" means:**

1. Currency, coins and bank notes in current use and having a face value, bullion; and
2. Traveler's checks, register checks and money orders held for sale to the public.

N. "Occurrence" means all loss involving "Money", "Securities", or "Other Property", "Computer Program" or "Electronic Data" caused by or involving one or more "Association" officers, directors, trustee, "Employees", property management agency "Employees" or other persons. Any actual or attempted fraudulent or dishonest related act involving "Money", "Securities", or "Other Property", "Computer Program" or "Electronic Data", whether the result of a single act or series of acts, shall be deemed one "Occurrence" regardless of whether the loss activity extends over multiple "Policy Periods".**O. "Other Property" means any tangible property other than "Money" and "Securities" that has intrinsic value, but does not include any property listed as "Covered Property" or "Property Not Covered" in any other coverage form of this Coverage Form or otherwise excluded by this fidelity coverage.**

P. "Premises" means the interior of that portion of any building the "Association" occupies in conducting its business.

Q. "Restoration Expense" means reasonable costs incurred by the "Association" to reproduce or replace "Computer Programs" or "Electronic Data" so that the "Association's" "Computer System" is restored to the level of operational functionality that existed immediately prior to a "Computer Violation".

"Restoration Expense" does not include:

1. Normal operation costs and expenses of the Association, including "Employee" and property manager remuneration and any costs related to any legal action;
2. Expenses incurred by the "Association" as a result of the reconstruction or replacement of "Computer Programs" and/or "Electronic Data" recorded on media, including but not limited to magnetic or optical media, if there are no analyses files, specification, or backups of "Computer Programs" or "Electronic Data" held outside the "Premises";
3. Expenses incurred as a result of the replacement or reconstruction of "Computer Programs" and/or "Electronic Data" if illegal copies of "Computer Programs" were used by the Association;
4. Expenses incurred to make "Computer Programs" and/or "Electronic Data" usable by replacement processing equipment;
5. Expenses incurred to design, update, or improve "Computer Programs" and/or "Electronic Data" or perfect their operation or performance;
6. Expenses incurred as a result of any alteration of a "Computer Program" or "Electronic Data" held on magnetic media due to the effect of magnetic fields, incorrect usage of "Computer Programs" and/or "Electronic Data", or the obsolescence of the "Computer System".
7. Any loss of revenue, sales or profit; or
8. Expenses or assessments incurred by any unit owner, member, or tenant.

R. "Securities" means negotiable and non-negotiable instruments or contracts held by the "Association" in any capacity and representing either "Money" or "Other Property" and includes:

1. Tokens, tickets, revenue and other stamps (whether represented by actual stamps or unused value in a meter) in current use; and
2. Evidences of debt issued in connection with credit or charge cards, which cards are not issued by the Association;

but does not include "Money".

S. "Policy Period" means the period of time in which this Coverage Form is in force. If this Coverage Form is written for a period of more than one year, each policy year or portion thereof for which coverage is in force constitutes a separate "Policy Period".

T. The "Company" means the insurer providing the coverage afforded under this Coverage Form.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ILLINOIS CHANGES

This endorsement modifies insurance provided by the Association and Community Excellence Program under the following:

FIDELITY INSURANCE COVERAGE FORM

In consideration of the premium charged, it is agreed that:

1. Section **VI. CONDITIONS**, subsection **N. Other Insurance**, is deleted in its entirety and replaced by the following:

N. Other Insurance

If any losses covered under this Coverage Form are insured by another valid policy or policies, the "Company" shall not be liable under this Coverage Form for a greater proportion of such losses than the applicable Limit of Liability stated in the Declarations bears to the total applicable limit of liability of all valid and collectable insurance against such loss.

ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED.